



Daily Report

Latin America

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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ICOD Finances Fisheries Agreement With Caricom

*FL3001144091 Bridgetown CANA in English
1125 GMT 30 January 91*

[Text] Belize City, Jan. 30, CANA—An agreement relating to management of fisheries in the Caribbean was signed here this week. Under the deal, the headquarters of the Caribbean Fishery Resources Assessment and Management Program (CFRAM) will be located in Belize.

Over the eight years of the programme, the aim will be to train Caribbean nationals in fisheries management, collect up-to-date information on fishery resources, and improve the regional management of the industry. Finance is coming from the Canadian International Centre for Ocean Development [ICOD], providing \$20 million Canadian.

Signing the agreement in Belmopan was Prime Minister George Price and agriculture and fisheries minister, Michael Espat. Also there were Caribbean Community

[Caricom] and ICOD officials. In Belize City the programme will employ three Caricom and three Canadian professionals.

ICOD President Gary Vernon described the signing of the agreement as a milestone in cooperative management of valuable fishery resources. Many fisheries issues cut across national boundaries and require regional management, he said.

"We are pleased to support Caricom in this innovative effort to establish cooperative management amongst its 13 member countries," he said. Espat said the signing ceremony represented a historic first for Belize. "Belize was chosen after a lot of discussion, and it is more centrally located," he said.

"There will be special consultants and scientists gathering information and also training Belizeans to analyse the information, especially along our reef," he added. The programme here will concentrate on lobster and conch fisheries.

Cuba

President Castro Inaugurates Building in Havana

FL3001193391 Havana Cuba Vision Network
in Spanish 0132 GMT 30 Jan 91

[Speech delivered by President Fidel Castro during the inauguration of a housing/medical building in Havana on 28 January—recorded]

[Text] I had the same experience Victor had [not further identified]. I was not told that I had to speak but I saw a microphone the minute I got here. [laughter] Wherever I go, there is always a microphone around. Most of the time, I generally make unscheduled and unannounced visits to places such as job sites and camps. This gives them no time to install any microphones. It is during these occasions that I engage in chats with workers, scientists, students, and peasants.

Well, I know that on these occasions one is supposed to make a statement. I was amused when Victor explained that sometimes people do not know how to start a speech. I was just thinking that many times people do not know how to end a speech. [laughter]

Victor was an exemplary speaker because he delivered a brief speech and those who make short statements are usually the ones that are appreciated the most. Do you know what I mean? [crowd shouts: no; laughs, and applauds] This is why I am going to speak very briefly here today. [Castro chuckles] [applause]

Victor recalled that they have completed this project in honor of [Jose] Marti's anniversary. It is a simple homage but a very significant one because of this project's significance. Firstly, it is one more contribution the revolution makes to the people's health. I was talking with the doctor and, although she works at the polyclinic, she knows all the area residents. I asked her: Who lives across the street? She said: Magaly lives there. I believe she said Magaly. She said: Magaly lives there. She has a small child who had some problems but the child is fine now. She explained to me that the baby was born premature and underweight. [someone in the crowd shouts: We cannot hear you.] She says she cannot hear over there. Come closer. [laughter] Come over here, get closer. [Castro chuckles] They stay up there on the roof and expect to hear. [laughter]

Well, they said the child was born weighing two pounds but he was saved. They said the child is doing fine. I asked how old he was and I was told that he is already four months old. I asked how much he weighs now and I was told he weighs six or seven [pounds]. I said: Did you inflate him? Does he not weigh six or seven pounds now? [someone in the crowd says: nine pounds] The child, who is four months old, already weighs nine pounds. He was treated at the Gonzalez (Coto). This is a first-rate specialized institution which is getting more and more experience. There is no doubt that that child

has survived a difficult test and this has brought happiness to his parents and everyone else. Undoubtedly, his life at this time—that life that makes doctors, family doctors, and area residents proud—is the result of this project the revolution has built in the health field.

The mere fact that it has been reduced to.... [changes thought] Infant mortality rate has been reduced to 10.7 [not further specified] nationally this year. This places Cuba among the top countries in the world. Some day we will rank 10th and in the future we will rate even better than that. We will see. This is a place in which women have a lot of babies. There are some countries [chuckles] that rate a little lower than we do. They are very rich countries in which there are few births.

Perhaps they lack some of the problems Cuba has such as women bearing children at a very young age, very young mothers. As you know, infant mortality rate is affected by these risk factors. The percentage of mothers who give birth at an age at which their bodies have not yet reached their full physical development is still very high.

All these factors have an effect on the infant mortality rate. The climate is another factor that also has an effect on the infant mortality rate. Cuba has a warmer climate. It has a humid climate. Such a climate is unfavorable to our health. Cuba is an island and respiratory diseases, in particular asthma, are characteristic of all islands.

All these factors have an effect on the infant mortality rate. There is no tropical country in the world that has been able to reduce the infant mortality rate to the levels that Cuba has achieved. I believe that the tropical climate and the conditions Cuba has are more adverse than those places with a dryer or cooler climate. There are always more insects, more vectors, and all types of problems in the tropics. It is very encouraging to think that our country has been able to reduce.... [changes thought] This has been a true feat in the field of health.

This is not measured by the fact that 99 out of 100 children have survived the first year. Even mathematically speaking, this is a very difficult thing to achieve considering that Cuba is a tropical and Third World country. Undoubtedly, what I have just mentioned constitutes a true feat.

I am sure we will continue to reduce the infant mortality rate because we have many other things working for us. We have pediatric cardiovascular surgery services. This saves numerous children who used to die because of birth defects. Today the majority of these children survive thanks to the cardiovascular surgery services available. We also have the early detection of serious birth defects. This allows the mother to terminate her pregnancy if she so wishes. We also are able to provide perinatal intensive care services, that is, during the first days of life, which is when most of the children's deaths occur. We have been able to develop perinatal intensive care services in the last few years.

We have the family doctor services. A good evidence of the fact that we can reduce infant mortality rate to less than 10 [not further specified] is that several provinces have infant mortality rates that are lower than 10. Some provinces are around seven. We have some provinces with an infant mortality rate that is lower than the ones in the United States, the richest country in the world. This shows that lower infant mortality rates can be achieved even in the tropics and under the climate conditions we have.

I did not mention that there are also genetic factors. Some populations are genetically more resistant, stronger. We have not mentioned those factors. It would also be another element to take into consideration when all those infant mortality figures are analyzed.

It also says a lot.... [changes thought] Little Pioneer, you need to be more disciplined. [someone in the crowd whistles] What is that? [Castro whistles and laughs] [crowd laughs] He did not hear me before but heard me immediately when I whistled.

I was saying that another proof is the fact that wherever there are family doctors the average mortality rate is under 10. This happens wherever there are family doctors because family doctors really helped a lot in the prevention of accidents and certain diseases. This is why when we talk about the fact that a family doctor office is being inaugurated today, 28 January, I would say that, although simple and modest, it is a sincere and great homage to Marti. [applause]

There are also many more things to consider. This project was not built by construction professionals but by law students. I believe this truly symbolizes.... [applause, chanting] Marti, who conceived education as being closely related to work, would also be happy to see a reality such as this one in which advanced law students were capable of getting organized in contingents and launching a project such as this one. They took it to the end with the cooperation of the rest of their classmates. I believe this has a great symbolism and speaks of the quality of our youths and students. You could not even dream during capitalist times nor in any capitalist country of having law schools doing a project such as this one. You could not even dream of having them go to the Sierra Maestra and the Turquino Peak as the comrade was saying here they are. These are new things. You could not even dream of them becoming militiamen nor that they form part of the Territorial Troops Militia. [someone in the crowd makes indistinct remarks] There are so many differences between our students of the past and our law students of the past. [sentence as heard] They are so different from what happens in those capitalist societies full of individualism, selfishness, and lack of any type of solidarity.

Here these students were able to complete this project in volunteer hours—in some cases hundreds and even over a thousand of volunteer hours. They did this not for themselves but for the residents of this area, of this

municipality's district here in the capital. They have not only built the family doctor office but also seven apartments. They made good use of the land. They tell me that there was a sort of quarry here. I do not know with what they had filled it. I do not know what kind of problems they found when this project's foundations were about to be laid. They built seven apartments. One is for the family doctor, another one for the nurse, and five for university workers. So, five families of university workers will have the opportunity of getting a safe, comfortable, clean, well-located apartment thanks to the efforts made by law students.

It should be mentioned also that other ideas are contained here. The architectural design was modified. As you can see this building is not the same as the others.

If we look at buildings that were built in the times of capitalism for families who were able to afford housing, we can see that their architectural design are varied. Some of them have an attractive design. There is a variety of designs in buildings. Since the minibrigade movement was revived, projects began to be dusted off and new aesthetically appealing apartment buildings were built.

I believe that this was achieved the most at the Pan-American villa. The beauty of the Pan-American villa is truly impressive. It was built with the same elements with which we used to build in the country. A great diversity of buildings have been built. That area is truly beautiful. It is also going to become housing for workers. We are going to have some 1,500 housing units. I would say that 1,500 family units will live in the most elegant neighborhood of Havana. We need to continue promoting that idea. I can tell you that the towns we are going to build at the miscellaneous crops enterprises are going to have the same architectural design as the Pan-American villa. This is why I believe the Pan-American villa will revolutionize urban construction in our capital and our cities outside the capital.

The scale models are already being prepared for the over 130 towns that are going to be built in the southern area of Havana Province. The day will come when a permanently settled population of workers will make mobilizations unnecessary. People are being mobilized. There is a certain over-staffing in many areas. It is admirable to see the spirit which with those workers from the capital, whether organized in contingents or mobilized for 15 days, are working. Our people, our workers are generally working with the same spirit you have shown here building this project.

In reality, the revolution made a great effort in the last few years to increase its production of cement, stone, sand, bricks, blocks, pre-fabricated panels, reinforcement rods, everything. An enormous effort was made before the special period situation came about. This has logically forced us to reduce the pace of constructions. This is why new housing projects have not been initiated in the capital. Work is being done in those that were

being built. For the moment, we have had to make a considerable reduction of construction projects because of the limitations in energy, limitations in fuel for cement production. Projects of social interest have not been initiated. For the moment, new housing projects are not being initiated. There are over 20,000 housing units under construction in the capital, however. There are between 20,000 to 30,000 under construction. We are going to continue working hard and as much as possible to finish all those housing projects. We will have to wait a little more to be able to begin building new housing projects.

All resources have been guaranteed for priority projects. There are some housing projects among the priority projects, such as those towns we were talking about in the southern part of Havana or the houses that are in the area around a dam. One dam alone, the Cauto dam which is going to be completed in Granma Province this year, requires the construction of 1,000 housing units. There are 1,000 people living in the area surrounding the dam. The dam will be completed in April. It will be closed at the end of April. Housing for those 1,000 residents needs to be available.

These is a number of essential needs linked to these development programs, to essential needs that involve building a minimum of some 20,000 new housing units. I am not referring to the ones that are being built and are completed but new housing units in places where there is no other solution such as the case of the dam. Work is being done in 30 dams in the country. Tens of irrigation canals are being built. We have tried to distribute resources in the most convenient possible way, in the wisest possible way.

It is also true that with a ton of cement we are doing twice as much as what we used to do five years ago. Over 700 kg of cement per cubic meter of concrete were used five years ago. Some 400 kg are being used now and there are some institutions that are spending less than 400 cubic meters of cement ... [corrects himself] not cubic meters but kilograms of cement per cubic meter of concrete. This is a result of experience, savings, and of a greater efficiency.

Our construction levels for priority projects continue to be relatively high. One cannot be discouraged by the current situation because we will overcome this stage. We built new industries that enabled us to construct up to 100,000 housing units per year. The time will come when we will be able to do this because of the efforts we are making now. It is true that those efforts are serious ones. We have had to impose restrictions. We have had to cancel practically all domestic electric appliances imports such as refrigerators and air conditioners, with the exception of a certain number which was already committed for cane harvest workers or workers who had already been handed out bonuses. Those have been generally honored with the exception of air conditioners which use large amounts of electricity.

Suffice it to say.... [changes thought] Let me give you an example: 5,000 air conditioners running simultaneously require the same power needed for 1,000 cow farms. The program we are working on calls for 1,000 cow farms. We are working on a program which includes over 200 cow farms per year. So that you can see how much power these types of equipment use. I am telling you that the power the air conditioners use can be used in the 1,000 cow farms program we are working on. We are working on a program of over 200 cow farms per year. Some 5,000 air conditioner units need the same amount of electricity required to run the approximately 1,000 cow farms program we will be working on during these years. We are going to build them in four or five years.

We have had to impose heavy restrictions on many of these imports because it was not safe. If you are going to buy more domestic electric appliances you are going to make the electricity problem worse. We have looked for a balance between the population's consumption and the industrial area's consumption. Progress has been made in the population's consumption but not as much as we should have. This is a problem that needs to be analyzed. A considerable saving has been achieved. Much more savings has been achieved in industries. Much more electricity savings has been achieved in the industrial sector than the one achieved in the population sector. You know how things are. Some cooperate and others are irresponsible, there are those who do not care about what they spend. The revolution has attempted to avoid having to increase prices because the increase of the price of electricity affects those with lower income.

Blackouts have been avoided. We have tried to avoid blackouts because they are a sort of forced spending. Some kind of measure will have to be taken especially with those who are incorrigible, those who do not comply with their quota and repeatedly violate the restrictions. There will be no other alternative than to take some measures soon regarding this. We should be ready to face even worse situations. The current world situation is very unstable. The international situation is terrible. The situation in the countries with which we have our main trade is also complex and serious. They have not solved all their problems yet. So, there are uncertainties. I can assure you that the strict policy followed by the revolution is to spread out the sacrifices that can be spread out so that not a single citizen is left without employment.

It would be incredible if a capitalist country could do this. It is true that we have had to regulate more goods. This was done with the approval of working mothers and a large portion of the population that saw that many goods went to the parallel markets to buy [changes thought] People made their living by standing in line at the parallel markets. Many times they made it difficult for the rest of the people to buy goods. We have tried to distribute things so that there are no people without employment, without resources for their survival. This situation could never be solved in this way in a capitalist country.

A certain amount of money will be accumulated. This is unavoidable. It is going to be accumulated. This is logical in a special period situation. It would not make sense if we started laying off people today, if we deprived hundreds of thousands of people of their source of income to find a financial balance. This is why our revolution is facing the difficulties in this way. The concern over the people, the concern over the population, and the greatest considerations given to the population prevail.

A big effort is being made in the food program. A big effort is being made to maintain the levels of food and medicine of the population. We know that there are some shortages at this time. Sometimes, anxiety makes people buy more medicines than they need. Investments have been made on medicines. Normal levels of imports have been made. Efforts are being made to alleviate the shortages of some of these goods. Some measures of greater control are being taken in the distribution of medicine. As you know, medicines are very inexpensive in Cuba. There is no country in the world in which medicines are more inexpensive than in Cuba. I can assure you this. If they are freely available, some may want to hoard them because of their anxiety and artificial shortages may occur. We are studying these problems.

I was saying that we have been working with the same criteria of spreading out the difficulties among everyone. We are truly impressed by the patriotic and revolutionary way in which the people have understood these situations. It would be very difficult to face the special period problems without a high level of awareness by the people.

I would say that this has also brought some positive things. We are entering the bicycle era. The bicycle era began with students. Some tens of thousands of bicycles have already been distributed. Some 700,000 bicycles will be distributed within the next six or seven months. A large number of them will be distributed in the capital simply because this is where there is a greater average distance between work [and home]. This is a very big city.

This is where fuel shortages can create the most serious problems for people to move around. We bought 700,000 bicycles from China; 200,000 were bought last year, which are the ones that are arriving, and 500,000 were bought at the end of the year, which will arrive during the first half of the year.

We have installed virtual bicycle factories in technical schools. Anyone may think that it is easy to assemble a bicycle. I can assure you that it is easier to put together a Swiss watch than a bicycle. [Castro chuckles] It is a complicated thing. You would not think so when you see it. I believe it requires 347 different parts. You have to put each spoke, one by one, in each one of the bicycle's wheels. It has to be placed with the same amount of pressure because if not the wheel will not be properly balanced. Those kids have to put the little nuts and bolts, tighten them and loosen them up until the exact level of pressure is achieved. It is a difficult, difficult task.

We have 10 technical schools in which bicycles are being assembled. We used to have eight. I believe they are going to start assembling bicycles in two more. I recommended that 15 technical schools assemble bicycles. It was expected that each technical school assemble 300 bicycles per day. The kids are working in four shifts. [corrects himself] Three shifts. They have four brigades. They work Saturdays and Sundays, night and day. They are working with great enthusiasm and interest. Their snack was improved so that they do not run out of physical or mental energy [chuckles] in their eight-hour work day. They are fulfilling the discipline of true proletarians.

Seeing the difficulties and the fact that students take turns ... [corrects himself] they rotate. They stay there for about 40 days and another group takes over. The new ones have to learn all the tricks involved in assembling bicycles. This is why they are not going to be productive enough to maintain the level of production. They have reached close to 70,000 or over 70,000 bicycles. I told them not to worry because we have to watch quality. Quality is maintained at a very high level because there are some Chinese technicians from the factories that sold the bicycles who are very demanding. You cannot even imagine how strict they are. They sent back all the first bicycles that were assembled. They had to take them apart and assemble them again.

A lot of quality control checks are made throughout the entire process. The manufacturers' specifications are being followed. They are interested in having the bicycles assembled well because they are good-quality bicycles. [sentence as heard] A situation came up during a visit I made to one of the technical schools. I noticed that the Soviet bicycles have a dynamo and a small bulb in front. I saw that the Chinese bicycles did not have neither the dynamo nor the little bulb in front. I asked: What is this? I asked what consequences will this bring. I already knew that they were buying a pump. They had to change the measurements of the air pump to adjust them to the ones gas stations have. I do not know what these stations are going to do when there are 500,000 bicycles in the capital. This is a problem that needs to be solved by providing an individual pump with each bicycle. The little tool boxes, the little pumps, and the bicycles' locks were being purchased. The front light issue had not been solved. At least nobody explained to me that it had been solved.

The same night I visited the technical school I started to investigate the matter. There were doubts about whether we should buy the dynamo or not. Various views were considered. We continued to investigate. We had all the information by the next day.

The conclusion had been reached—perhaps a reasonable one, perhaps a reasonable one of placing a front and rear reflector on bicycles. This is a safety device. It was also decided to place other reflectors on the wheels. They make the bicycle visible from a great distance.

The comrades did take the decision of not buying the dynamos. One of the arguments used was that they cause a lot of wear to the front wheel and also, and also [repeats] it causes more resistance to the bicycle's movement because of the resistance made by the dynamo to the wheel. In any case, instructions were made to buy 700,000 dynamos with the little bulb. We will see later how it goes. At least, we will have the option if someone wants to have the dynamo in his bicycle in addition to the front and side lights. We are not going to spend \$3 or \$4, which is what that dynamo may cost. We can spare \$4 when it is a matter of ensuring safety.

All those measures have been taken. The first bicycles are coming out without that front reflector. People will, therefore, have to be careful. Those front reflectors have not arrived yet. I am talking about being careful when people ride their bicycles at night. Logically, there will be many—especially in the city—who will have to travel at night. Those reflectors are under way. The side reflectors will increase the safety of those bicycle riders.

Traffic laws and measures and the possibility of reserving some streets for bicycles are being studied. Logically, the situation will be more complicated when there are hundreds of thousands of bicycles because traffic is still heavy in the city. How many bicycles will we get? Not only will we buy bicycles but we are going to manufacture them. We are thinking about getting at least half a million per year and manufacturing no less than half a million per year. We plan to manufacture 100,000 this year. We plan to manufacture 500,000 next year and import one million. The day will come when everyone who wants to have a bicycle will be able to get it.

This is happening under exceptional circumstances. There are countries, we know this, where almost everyone rides bicycles because of environmental and health reasons in spite of the fact that they have many buses and resources. We have entered into the stage of the bicycle but when the special period ends we should not abandon the era of the bicycle because of what it means in terms of health. I have talked to many people who had to worry about exercising every day and now they do not have to exercise. In a sense, this is a revolution. I know some research center technicians and engineers who ride their bicycles 14 or 15 km. There is a comrade who works at a research center who goes from San Francisco de Paula to the CENIC [National Center for Scientific Research] which is in western Havana, in the western part of the city. He rides 21 km every day each way. Do you know what he says? That it takes him less time than riding the bus. [laughter] It takes him less time than riding the bus.

These are the measures that are being taken. If the situation became more complicated and we could not make the number of bus trips we are making now, we can at least have hundreds of thousands of bicycles. These are the measures being taken. I have seen that the young people are pleased. They not only ride bicycles to go to

work, to the university, to visit the girlfriend or boyfriend, but they also use them to take a leisure ride. I have no doubts that when the summer comes, bicycles will be swarming toward our capital's beaches.

In inaugurating this project it was essential for me to express how much it hurts us to have to restrict construction projects when we had already created all the material facilities for construction and when we had created the forces for construction such as the minibrigades. We had created university student forces for many construction projects related to students. We are maintaining some projects such as the CUJAE [Jose Antonio Echeverria University City], the ISCA [Higher Institute for Agricultural-Livestock Sciences], and other projects, of course. We could not begin building some projects we had planned to begin to improve students' living conditions.

Students have been assigned 170 apartments in the eastern part of the city to lighten up the load of buildings on 12th and Malecon Streets and some other places. Even under these circumstances we have managed to find housing units. A number of technicians from socialist countries who were leaving left one or two buildings with about 100 apartments in Reparto Bahia. We said they will be assigned to university scholarship holders to lighten up load of some buildings. This also happened in Alamar. Even in the middle of great difficulties we have continued to struggle to find solutions to problems. Of course, it hurts us to have to halt many of the programs that we had already organized in order to continue boosting other programs of great economic importance for the country. We will continue to work in this way in the next few months. We still have some projects left such as the Pan-American Games project. They will be completed in a matter of two or three months. All the material investments have been made. They constitute an important commitment made by the country. In addition, there are almost 1,500 housing units for working families. We are going to finish them, the people of Havana are completing them.

Those restrictions hurt us but we are confident and know that when this special period is over, even when it gets even more difficult, our people, who rise to the occasion during difficult times, our people, who learn a lot from difficulties, will come forward and will be more efficient. In the future, we will be able to make more things than the ones we would have made if we had not had a special period.

I know that you have ceremonies and marches tonight. I have not wanted to look at the time. I did say, however, that the best speeches are the shortest ones. It is not that I did not know how to finish but during this informal meeting with you a lot of ideas always come up and one feels like talking about them.

I thank you for the invitation you made to me some weeks ago when I went to the university, to the School of Pharmacy Sciences, to visit you here. I was thinking

about visiting you but I did not. When I learned that this was going to be inaugurated today, I had the firm resolve to be here in this project. I congratulate you for what you have done. I believe you are setting an example. I hope that you continue doing things such as this because we always have things to do even during this special period. We will continue to maintain as much as possible some programs and, of course, the family doctor program will continue to develop because there are doctors there at the universities. The ones we have been training, the ones that are in their sixth, fifth, fourth year will start graduating. Although our doctors will be willing to work under any conditions, if not in the same numbers that we have been doing up to now, we will continue to build a certain number of house/consultation offices for family doctors. This is why I am certain that you, law students, will have new areas in which to show that patriotic and revolutionary spirit.

I congratulate you all. I am glad that this effort has not taken away a single hour from your studies. Even Victor, who worked 1,200 hours and lives in Calabazar, which is pretty far away from the law school, was able to fulfill those many hours of work and maintain five point average in all subjects. [applause] This shows that one can be very revolutionary, very active and be a good student and the same time. I hope that in the future, you will be as good attorneys as you are good construction workers and revolutionaries. [applause]

Socialism or death! Fatherland or death! We will win! [crowd joins in: We will win!] [applause]

Castro Receives Iranian Agriculture Minister

LD3001181191 Tehran IRNA in English 1627 GMT 30 Jan 91

[Text] Havana, Jan. 30, IRNA—Iranian Agriculture Minister 'Isa Kalantari held talks with the Cuban President Fidel Castro on expansion of mutual economic ties, here today.

Kalantari condemned the Iraqi occupation of Kuwait as well as presence of the foreign forces in the Persian Gulf region, which he said led to a destructive war.

Elaborating on the negative impacts of this war on the Islamic and Third World countries, Kalantari expressed hope that peace efforts of the Islamic Republic of Iran in cooperation with other countries could result in ending the war.

President Castro in reply called for cooperation of the Third World countries against the world devourers. He said since the future policies of the big powers are not clear, the Third World countries should endeavour to gain self-sufficiency and independence.

"Western countries will not certainly be a model for the future of Cuba," he stressed.

Kalantari also conferred with Cuban Foreign Minister Isidoro Malmierca Peoli here today, where the two sides

expressed pleasure at the result of the two countries' joint economic commission meet.

Malmierca said that his country had declared its positions concerning the Iraqi invasion and occupation of Kuwait from the beginning. "We tried to prevent the Americans from legalizing their intervention in the (Persian Gulf) region at the same time."

Kalantari also said that Iran made great efforts to prevent the war from breaking out, and that the Islamic Republic still continued its efforts to end the Persian Gulf crisis as soon as possible.

The Iranian delegation led by Kalantari arrived here late Sunday [27 January] to participate in the two countries' joint economic commission meeting.

Raul Castro Attends Eastern Army Conference

FL3001184591 Havana Tele Rebelde Network in Spanish 1800 GMT 30 Jan 91

[Text] We are reporting from the 10th party conference of the Eastern Army, which is being chaired by Army General Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces. Today the delegates to the event, who are summarizing the organizing process for the fourth party congress in the Eastern Army, are discussing the results of the study of the congress document.

They are touching on basic points such as combat readiness, work with equipment and weaponry, and the work of rationalizers and innovators in manufacturing and recycling spare parts in order to deal with the special period. They are also discussing support for the food program—progressing at a good pace in this command—as well as the strengthening of the territorial defense system.

Alarcon Calls For Security Council Meeting on Gulf

FL3001141091 Havana Tele Rebelde Network in Spanish 1300 GMT 30 Jan 91

[Text] Cuba has requested that a formal meeting of the UN Security Council be held to examine the situation in the Persian Gulf. Cuban Ambassador to the UN Ricardo Alarcon de Quesada stated that our country's government considers it essential for the Council to assume the responsibilities granted to that organization by the UN Charter.

First Off-Shore Platform Built in Matanzas Region

FL3101034591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 31 Jan 91

[Text] Oil exploration and drilling operations are being carried out in the northern region of Matanzas Province which is a vast area that has great possibilities for the exploitation of gas and oil resources.

The first Cuban off-shore platform for oil drilling and oil exploitation is being assembled in a location within Cardenas Bay specified by (?COPEI) [expansion unknown].

Over 85 percent of the project has already been fulfilled. Right now, work is being done to anchor the platform on the sea floor with metal columns filled with cement. The oil platform, which was built in the USSR, and the technological equipment on it, weighs a total of 1,500 tons.

The platform must be assembled within the first trimester of 1991. Once this is done, drilling equipment will be installed. It is expected that the drilling equipment will be in operation by June.

During our visit, workers proceeded to receive the three last elements needed to finish assembling the platform: the dock, the crosswalk, and the drill tower arcade.

The platform stands over seven meters above sea level. At this site, the sea is over five meters deep and the (?sea bed) is 4.5 meters. The off-shore platform is in touch with land through several ships that anchor at a base that was specially built for this purpose. This base is located at the beginning of the [words indistinct]. It also has two powerful tugboats. We traveled on one of them to the off-shore oil platform. It took us 45 minutes to travel the 18 km that separates the platform from this base.

The first off-shore platform on Cuban seas comprises two modules: one is a production module that will drill six wells; and the second module will serve as the residence for 40 people. The entire area totals almost 3,000 square meters. In addition to the technological equipment, this platform comprises the residence area, the dining halls, bathrooms, recreational area, offices, nurse's room, warehouses, fuel and water tanks, anti-fire systems, and rescue equipment.

Government Guarantees Pension Payments for 1991

FL3101040091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 31 Jan 91

[J.J. Fernandez Vidal report]

[Text] Cuba will maintain its social security and social assistance levels during 1991 despite the difficulties the country is currently experiencing.

During an interview granted to Cuban Television, Francisco Penalver, vice minister of the State Committee for Labor and Social Security [CETSS], said that pensions granted for retirement, deaths, or disability, are a commitment that the government will honor.

He added that the 1990 national social security budget is estimated at 1.346 billion pesos. He said that because of development reasons, this figure will increase by over 70 million pesos in 1991. In 1991 Cuba will spend over 12-times more than what was allotted to this sector in 1958. At the time, this figure merely surpassed 100

million pesos. Because of the increase in the life expectancy of Cubans, which is over 74 years, retirement pensions now go over 20 years.

Penalver stated that there is a process under way at the provincial level to decentralize the payment of retirement pensions. He added that six provinces are already carrying out computerized transactions with banks and the post office. He stated that this ensures the proper handling of all Cuban resources invested in the social security sector.

Brazilian Bilateral Cooperation Agreement Signed

FL3101023091 Havana Radio Rebelde Network in Spanish 0000 GMT 31 Jan 91

[Marelene (Cerellas) report]

[Text] The Cuban State Committee for Economic Cooperation and the Brazilian Cooperation Agency have signed in Havana an agreement on economic, scientific, and technological cooperation.

This agreement encompasses the establishment of bilateral undertakings, including the establishment of joint ventures, in the production sector.

State Committee for Economic Cooperation [CECE] Vice President Raul Taladrid signed the agreement on behalf of Cuba.

[Begin Taladrid recording] I believe we have been able to establish the basis for a Brazilian-Cuban cooperation program that is truly important for Cuba.

We have also specified those areas in which we are interested in developing bilateral cooperation programs such as the sugar industry, particularly sugar industry byproducts; the health sector, specifically medical equipment and the pharmaceutical industry; in the agricultural sector, which is a very important Cuban production sector; and in the biotechnological sector.

I also believe that the Brazilian delegation's concept of cooperation has been highly positive because this bilateral cooperation program seeks to achieve production and economic results. It is not an abstract cooperation program. It is a bilateral cooperation agreement that seeks to achieve the socioeconomic development of our two countries.

I believe we have been able to fully identify the objectives sought by this bilateral cooperation agreement. We have also established that it must lead to the implementation of economic transactions that are beneficial to the business sectors of our two countries. We are also certain that these ties will yield fruitful results for the development of our two countries. [end recording]

Antonio (Cruz de Mello), assistant executive director of the International Cooperation Agency of Brazil, signed the agreement on behalf of the Brazilian Government.

[Begin (Cruz de Mello) recording] I believe that the agreement signed today is an important step in achieving a rapprochement of our two countries because through it we have identified specific areas of mutual interest.

I believe that the intensive activities we have carried out in this beautiful city will lead to the establishment of a series of important programs that will be mutually beneficial. [end recording]

Specialists To Remodel PRC Sugar Mills

FL3001185591 Havana Radio Progreso Network
in Spanish 1725 GMT 30 Jan 91

[Text] Cuban specialists will remodel and expand two Chinese sugar mills and build a plant for yeast in Hainan Province in the People's Republic of China. An agreement on this has been signed between our country and Hainan local authorities. The agreement also covers exchange of sugarcane varieties and specialists and technicians for scientific and technical activities.

IOJ Elects National as Vice President

FL3001143591 Havana Tele Rebelde Network
in Spanish 1330 GMT 30 Jan 91

[Text] The 11th congress of the International Organization of Journalists [IOJ] has elected Cuban Julio Garcia Luis as the organization's vice president for Latin America. The event concluded in Harare, Zimbabwe, with the adoption of a new action plan with an emphasis on professionalism. The document that was approved stresses the IOJ's role in protecting journalists' right to access to sources of information and to report freely.

The meeting also decided to reform the organization's statutes to strengthen the functions of the general secretary and reduce the number of vice presidents from 30 to seven. For the first time in its 45 years in existence, the IOJ held a congress in Africa and elected a president from a Third World country, Brazil, (Armando Sobral Rorenberg). The post of secretary general was passed to Frenchman (Gerard Gatin).

Southwest Africa Joint Commission Meeting Ends

FL3001134591 Havana Tele Rebelde Network
in Spanish 1200 GMT 30 Jan 91

[Text] The 10th ordinary meeting of the Joint Commission on Southwest Africa has ended in Capetown with a condemnation of the UNITA [National Union for the Total Independence of Angola] attacks on Cuban internationalist troops in Angola. The text of the meeting's final communique states that all the commission members and the delegations and observers attended the meeting. The Cuban delegation reported on the withdrawal of its troops from Angola in accordance with the provisions of the bilateral agreement signed in New York between the two countries on 22 December 1988.

Cuba also informed the commission about unjustified attacks on its troops carried out by UNITA. All the attending delegations expressed their condolences to the Cuban delegation for the loss of life. The commission members also analyzed events in southwestern Africa and security problems in Angola. In addition, they agreed to meet again in Luanda during the last two weeks of April.

PRC To Provide Aid for Bicycle, Fan Factory

FL3101151091 Havana Tele Rebelde Network
in Spanish 1400 GMT 31 Jan 91

[Text] The PRC will supply Cuba with bicycle components and a workshop for fans. The agreement signed between the two nations includes the delivery of technology, equipment, spare parts, and raw materials for this industry in Fomento Municipality in Sancti Spiritus Province. When it begins its productive phase, it will be able to produce 150,000 bicycles per year, working two shifts a day. In the case of the fans, China will offer equipment to be used for plastic molding, assembly, and quality control, while our metalworking industry will provide metal and plastic parts.

Inter-Caribbean Affairs

OECS Trade Ministers Meet on St. Lucia

FL3001230091 Bridgetown CANA in English
1736 GMT 30 Jan 91

[Report by Peter Richards]

[Text] Castries, St. Lucia, Jan 30, CANA—Trade ministers from the Organisation of Eastern Caribbean States (OECS) began a one-day meeting here on Wednesday, stressing the need for Caribbean countries to adhere to decisions taken to improve intra-regional trade.

Dominica's Trade Minister Charles Maynard, who is chairing the meeting, said it was important that all barriers to trade be removed if the region is to overcome economic problems brought on by various international events.

"I hope by the time this meeting is finished, we would have removed any barriers that are there, particularly the non-tariff barriers, that are more difficult to put our hands on in relation to free trade."

"We cannot have countries saying that they are self-sufficient for example in citrus, and therefore citrus cannot come from countries from within the region," Maynard said.

The Dominican trade minister said he hoped the region would cease allowing "situations where we still see licences being applied to manufacturing enterprises and other things produced in our region, where licences should have ceased a long time ago."

The meeting here is being held against the background of a drop in the sub-region's trading relationship with the wider Caribbean Community (Caricom). Figures released here in advance of the meeting noted that for the first six months of 1990, trade between OECS and other Caribbean Community countries has dropped by 19 percent. In 1989 the figure showed a 16 percent decline.

Maynard said it was important for the sub-region to overcome practices that were "discriminatory" to trade. Maynard said the OECS needed to work closely with the private sector to improve trading relations, noting that there were many international trading incentives which could benefit the sub-region. But he noted that even though the developed countries were outlining areas of assistance to the region, "we see other ideas and thoughts which do not seem to manage to address our particular concerns."

He said the region should lobby the United States to replace the Caribbean Basin Initiative (CBI) with an economic agreement similar to the Lome Convention, which links African [words indistinct] countries with the European Community.

"The experience we have really is an experience that tells us that these things are not designed to deal with our concerns, and maybe we have to look for a Lome type agreement between ourselves and the U.S.," he said.

In his address to the conference, St. Lucia's trade minister George Mallet said international events such as the Gulf War had resulted in increased prices for petroleum products and could further affect the sub-region's economic plans. Mallet said tourism, foreign investment, agriculture, and unemployment were areas that have already begun to fill the pinch of the war.

The OECS trade ministers will discuss among other matters Caricom's Common External Tariff, which is a unified tax structure on third country imports, intra-regional trade, and the revised Caricom rules of origin.

The OECS groups the islands of Antigua and Barbuda, Dominica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Grenada, and Montserrat.

Economic Slowdown Predicted

*FL3101001591 Bridgetown CANA in English
2220 GMT 30 Jan 91*

[Report by Peter Richards]

[Excerpt] Castries, St. Lucia, Jan 30, CANA—The economies of the Organisation of Eastern Caribbean States (OECS) are likely to register a slowdown in the rate of real growth in 1990 compared with the previous year, officials attending an economic meeting here have been told. Conference sources at a meeting of OECS trade ministers told CANA [CARIBBEAN NEWS AGENCY] on Wednesday the analysis on the OECS economies

came against the background of a projected decline in earnings from the major export sectors.

"... The OECS economies appeared to be faced with a situation of projected declines in tourism earnings and growing trade deficits and (are) very likely to experience a slow down in the rate of real growth in 1990 compared with 1989," the sources said.

"In light of the deteriorating export performances of the OECS member states.... (it was) suggested that it may now be opportune for the OECS to begin to adopt specific measures to improve the sub-region's trade performance," the sources added.

During the first six months of 1990, officials pointed out that the trend of increasing levels of OECS imports and declining domestic exports was quite evident.

"Indications were that the overall balance of merchandise trade would have deteriorated further in 1990 compared with 1989, which was also unfavourable," the sources said.

Imports from the More Developed Countries [MDC's] of the Caribbean Community (Caricom) were up by 13 percent, while OECS domestic exports fell by 19 percent, official figures released here have indicated. The sources said the meeting felt that "OECS trade with the Caricom MDC's required urgent attention if the emerging trend of worsening trade balances is to be reversed."

Meanwhile, the governor of the Eastern Caribbean Central Bank (ECCB), Dwight Venner has suggested that consideration be given towards reforming existing financial institutions within the sub-region to enable them to service the needs of the productive and service sectors. Venner said such a reform was also needed to support the objective of developing an OECS capital market.

He noted positive attributes in the OECS countries such as a common currency, which could be mobilized to facilitate ECCB efforts to support an OECS strategy of economic growth.

"What was needed as the first step was an aggregation of economic resources as a basis to enable monetary policy to influence the way forward," Venner said. [passage omitted]

European Community Funds Tourism Development

*FL3001170091 Bridgetown CANA in English
1225 GMT 30 Jan 91*

[Report by Mark Lee]

[Text] Bridgetown, Barbados, Jan. 30, CANA—For Caribbean tourism interests, a new allocation of U.S.\$12.15 million from the European Community, primarily for regional marketing development, could hardly have been more timely. The funds come amidst worries over the impact of the Persian Gulf War on tourism.

"The funds will consolidate the substantial gains made in Europe during the past four years and will support any rebuilding which will be necessary in the aftermath of the Gulf War," said Caribbean Tourism Organisation [CTO] general secretary, Jean Holder. "Once again the European Community has come to the assistance of Caribbean tourism at a critical juncture, when it is fighting off the challenge of recession and the threats posed...by the war," added Holder, whose organisation is the implementing agency for the marketing, training, statistics, and economic linkage programme.

While a definite pattern has not yet emerged since the hostilities broke out on January 16, hoteliers seem agreed that Europe may well keep the sector afloat.

"Reports of cancellations range from very, very severe to reasonably comfortable, depending on the primary source," Caribbean Hotel Association executive vice president, John Bell, told the Caribbean News Agency [CANA] in a telephone interview from his San Juan, Puerto Rico office. "Those (hotels and countries) dependent on the middle-income U.S. visitors are suffering the most," said Bell. "Those from the upper European market are doing well."

A CTO-convened meeting in New York last Friday heard from airlines and tour operators that future bookings and cancellations will bring a 20 to 30 percent drop in business over the short term. "I am not sure what the impact is now," said Bell. "The fear factor is what is causing people to be as concerned as they are. They project that the war might last for the whole season," he stated, suggesting that while things are far from good, they are still not yet the worst.

Most respondents to a CTO survey of hotel associations and tourist boards in its 28 member countries from the English-, French-, Spanish-, and Dutch-speaking Caribbean and Bermuda, reported a slowdown or drying-up of new bookings since mid-December. In an update on the impact of the war, issued Tuesday, CTO reported the major tourism players expressing doubt that any action on the industry's part can make a major impact on alleviating travellers' fear, or on putting the Caribbean in a more aggressive posture in the marketplace.

"(Iraqi President Saddam Hussein's) willingness to use any weapon, including terrorism, the vulnerability of airports and planes, the fact that every corner of the world is experiencing the same fears and losses in business, and the media's unrelenting reporting of fears and security are feeding a public mindset that is affecting business and leisure travel severely," said the update.

But CTO chairman, Dominica's tourism minister, Charles Maynard, believes cooperation among the member states in selling the region as a holiday destination and sending a positive message could help the industry. Maynard told CANA the message to be sent, primarily to North America, is "the Caribbean is safe, quality is good, you can get a range of arrangements for leisure, and [it] is therefore the place to go."

The tourism leaders who met in New York endorsed any public relations effort CTO can organise to send out a positive message about the Caribbean. "They support any message that shows the region expressing concern and encouragement for the U.S. and Allied Forces," said the CTO.

The regional tourism industry is also concerned about the state of the airline industry, with the bankruptcy filings of Pan American and Continental, as well as the folding of Eastern, the cutback in service of American Airlines, and British Airways' pull-out of the Bahamas after 44 years. Maynard says these developments only highlight the need for a strong, viable Caribbean airline.

During a lecture at the headquarters of the Barbados-based Caribbean Development Bank on Monday, former (1974) chairman of the regionally owned Liat, Ltd, Ian Archer, suggested that the debts of the airline, and Trinidad and Tobago's British West Indies Airlines, be wiped clean by governments, and new entities formed with the equipment.

"The industry is too important to be underpinned by two foreign carriers," said CTO's deputy general secretary, Luther Miller, who also spoke at the session. He suggested formation of a regional air transport authority to counter the restrictions placed on Caribbean carriers by U.S. and British aviation authorities.

In the regional authority, "individual governments will vest all their air rights....decide on what reciprocity we will give, and transferability of route rights (among Caribbean airlines)", he explained.

The Gulf War and the airlines situation will be agenda items when meetings of the CTO's board of directors and Council of Tourism ministers are convened in New York, March 21 and 22.

ECLAC Ties Environmental, Economic Factors

*FL3001173091 Bridgetown CANA in English
1326 GMT 30 Jan 91*

[Text] Port of Spain, Trinidad, Jan 30, CANA—Pressure on the environment by agriculture, tourism, and mining in the Caribbean can limit future living standards, according to an official of the Economic Commission for Latin America and the Caribbean (ECLAC).

ECLAC's economic affairs officer, Erik Blommestein, said the Caribbean remains dependent on the exploitation of its natural resources in the agriculture, tourism, and mining industries. The region stands to lose much of its achievements of the past four decades through environmental degradation, and must adopt measures to maintain productivity of renewable resources, he said at a two-day workshop here on the environment and development.

He said the region faces problems such as decreasing soil fertility, soil erosion, deforestation, beach erosion, reduced fisheries yields, and pollution. "The continued

existence of these factors casts serious doubts on the long-term capability of the region's resources to continue to serve as economic resource bases in the future," Blommestein said. But appropriate economic and social changes could achieve sustainable development at higher output and quality of life, he said. "To maintain the productivity of the renewable resources on which agriculture and tourism depend is therefore of crucial importance for the long-term future of Caribbean economies," he asserted.

Blommestein said one consequence of economic adjustment measures in several regional countries has been increased poverty and a resultant increase in pressure on the environment. Adjustment was accompanied by a sharp reversal of external resource inflows, from U.S. \$1.1 billion in 1981, to a net outflow of U.S. \$96 million in 1986, he said.

"As a consequence, production stagnated or contracted, while future growth has been jeopardized as investment has been deferred." The immediate impact of the adjustment has been increased unemployment and a fall in real incomes, to the point where "it may be inferred that the people in much of the region are worse off than ten years ago", he said.

"Increased poverty has raised the pressure on the region's resources, resulting in accelerated environmental degradation," Blommestein reported.

Antigua and Barbuda

State Investigators Granted Extended Powers

FL3001154691 Bridgetown CANA in English
1209 GMT 30 Jan 91

[Text] St. John's, Antigua, Jan 30, CANA—The Antigua and Barbuda House of Representatives has passed amendments to the Inquiry Act, giving persons involved in state investigations the power to carry out probes outside the country.

The amendments were made following a high court judge's ruling last year that a commission, headed by British jurist Louis Blom-Cooper, who probed an international arms scandal involving Israel, Antigua, and Colombia, could legally hold sittings overseas. The ruling was challenged. The matter is before the Eastern Caribbean Court of Appeal.

Attorney general and minister of legal affairs, Keith Forde, told Parliament the amendment seeks "to remove any doubt that might exist as to whether or not commissions of inquiry under the Act are empowered to make inquiry outside Antigua and Barbuda." Forde said one amendment is "to enable commissions of inquiry under the Act to initiate proceedings in contempt of court," while another is "to amend the fines in the principal act."

These changes met with the approval of opposition leader Baldwin Spencer who called for added amendments to deal with persons who are implicated in the proceedings and are censored in the commission's report.

Barbados

Sandiford Warns of 'Difficult Times Ahead'

FL3001223091 Bridgetown CANA in English
2020 GMT 30 Jan 91

[Text] Bridgetown, Barbados, Jan 30, CANA—Prime Minister Erskine Sandiford, returned to office in January 22 general elections, on Wednesday signalled Barbadians to expect difficult times ahead.

"The decade of the eighties has been a very trying one for Barbados and the decade of the 1990's also promises to be difficult," he told a luncheon for senior media personnel at his official residence, Ilaro Court.

Sandiford's comments came 24 hours after Central Bank Governor Dr. Kurleigh King announced a provisional 3.5 per cent decline in the economy in 1990—the first such contraction in eight years. Net foreign exchange reserves were eroded by nearly 116 million dollars and the fiscal deficit rose from 26 million dollars in 1989 to 259 million (1 Bds dollar = 50 cents U.S.).

There were "three major problems" affecting the economy, the prime minister said: "Firstly we must deal with the fiscal deficit, secondly with the foreign exchange position which has been weak throughout the decade of the 80's and before as well, and thirdly we must deal with the debt problem. They are all inter-related."

The deficit, he said, was largely a result of the cost of a public service salaries revision and reclassification exercise, as well as "the lurch towards indirect taxation rather than direct taxation." "Obviously when there is a slow down in the economy, receipts from indirect taxation will fall," he commented.

Sandiford, who will have his first cabinet meeting Thursday, said the weakened foreign exchange position is due to the fall in earnings from tourism and manufacturing, added to the fact that "we still continue to have too high an import bill, and additionally, we must note the debt payments that we have been making to meet past commitments."

He declared: "As a people, we have faced difficult times before ... (and) we have been able to draw upon our resilience as a people, our love of country, and upon our common resolve to surmount the obstacles in our way. Now we are faced with the impact of the (Persian) Gulf crisis.

"If the international interchange of goods and services is disrupted we will be thrown back on our own resources.

This is why I have been soressing the theme of greater self-reliance and self-denial.

"For this reason, I have also been urging that the Caribbean work together as an entity to preserve the living standards of Caribbean people, and to give a measure of mutual assistance and protection in the face of an international environment that could become hostile."

Sandiford, whose Democratic Labour Party (DLP) won 18 of the 28 seats in the elections, stressed that food security and food production will be key objectives of his government's agriculture policy. Greater food security will be given "very high priority over the next few months," he said.

The prime minister, who fought his first election as DLP leader, took the opportunity to appeal for unity in the aftermath of the poll.

"Let us put behind us the bitterness, the antagonisms, and the devisiveness. Let us don the cloak of cooperation, whatever your party, your class, your colour, your race, your religion, or your creed. Let us together shape a brighter day in Barbados," he said.

The Barbados leader promised that his government would be "more open and forthcoming in the dissemination of news and information" and urged the news media to likewise promise "fair and unbiased reporting."

Grenada

CDB Official Predicts Scarce Capital After War

FL3001152591 Bridgetown CANA in English
1147 GMT 30 Jan 91

[Text] St. George's, Grenada, Jan 30, CANA—Even an end to the war in the Persian Gulf can hurt Caribbean economies, a senior official of the Caribbean Development Bank [CDB] has calculated.

Dr. Keith Worrell, addressing a seminar here Tuesday, said "capital funds will become scarcer than they presently are once the rebuilding of the gulf states is undertaken." Dr. Worrell said this situation, combined with "the demand of capital for the reconstruction of Eastern Europe, and the demand for the same capital in the continuing deficits in the United States and Canada," meant "we in the Caribbean are going to find it even more difficult to attract savings other than our own."

He told the gathering the Caribbean will also find it difficult to retain the small savings that it has. "Money is like that, it finds a way of playing to where the returns are greater," he explained. "We must be aware that capital is going to become much scarcer and more treasured."

He lauded the efforts of the Grenada Government to remove the budget deficit. "We at the CDB are particularly impressed with the recent efforts of the government

of Grenada to restore to a more sustainable level the fiscal deficit which has in recent times marred an otherwise remarkable performance of the Grenadian economy," he said.

Newspaper Praises U.S. Stance in Gulf Crisis

FL3101145991 Bridgetown CANA in English
1233 GMT 31 Jan 91

[Text] St. Georges, Grenada, Jan 30, CANA—A Grenadian newspaper is calling for support for the Allied Forces in the Gulf War against Iraq, equating fifty Grenadians who are part of the United States Army with the American soldiers "who gave their lives for us when we were in dire need."

"The forces arrayed against this latest dictator deserve all the moral and whatever other support we are able to give," declared the privately-owned paper in an editorial.

Said the newspaper: "It should be a source of immense pride to us that some 50 Grenadian sons and husbands are with the Allied Forces...No matter how much we pray it does not happen, if some of them do contribute their lives, we can console ourselves that they did it in the cause of justice for a comparatively small nation set upon by a bully."

This was an apparent reference to Washington's dispatch of troops to Grenada nine years ago [as received] to restore order after a palace coup here triggered bloody violence that left the prime minister and several other government officials dead.

The VOICE, however, lamented the enormous expenditure involved in the war. Much of the resources being "squandered in an unnecessary war" could have been used to help Third World countries, the paper said.

Haiti

President Aristide Comments on Pressing Issues

FL3001211091 Port-au-Prince Radio Metropole
in French 1700 GMT 29 Jan 91

[Interview with President-elect Jean-Bertrand Aristide by Paris Television TF1 in Paris "before and after" his meetings with French President Francois Mitterand and government ministers, by TF1 correspondent Patrice Poivre d'Arvord, dated 28 January—portions recorded]

[Text] The president-elect, during his conversation with Michel Rocard, expressed his concern for moving ahead with establishment of the democratic process, and the reorganization of state power. He also emphasized the importance of achieving agricultural autonomy. This subject was also discussed with French diplomatic chief, Roland Dumas.

The conversation at Quai D'Orsay was friendly. Mr. Dumas remarked on the significance of a visit to France by the president-elect, who will take the oath on 7

February, and who is the spokesman for the will of a people in favor of democracy. The president-elect thanked France for its perception, according to AFP, and stated that he was depending on international cooperation, especially with France—Haiti's second sponsor after the United States. He listed among his priorities agricultural development, the struggle against illiteracy, and a need for culture.

[Begin recording] [Aristide] There is a minority of terrorists who are opposed to democracy and who create incidents, such as before this trip, to block the democratic process.

[D'Arvoud] When you speak of terrorists, you are referring to former Macoutes. Are they present in numbers on the island, because they are mentioned regularly, either through demonstrations, or because their chief, Dr. Lafontant has been visible?

[Aristide] When I speak about terrorists I refer to this minority of Macoutes as well as their international allies.

[D'Arvoud] Whom are you referring to?

[Aristide] Crooked dealers, accomplices in drug traffic. It is a minority of men with weapons against the will of the people who are proud of their historical resistance of 16 December. We reaped the reward of that campaign of unity and we are preparing ourselves to celebrate on 7 February. The party of dignity will thus mark our second independence.

[D'Arvoud] Might you consider freeing Dr. Lafontant on that day?

[Aristide] I think we must apply the law in its entirety. If the Macoutes who are still enjoying impunity Roger Lafontant will not be free before 7 February. Beginning on 7 February, it will be necessary to apply the law. If the law provides for his freedom, which I seriously doubt, we will bow to the law.

[D'Arvoud] Tomorrow you will meet with Francois Mitterand, the president of the Republic. Are you afraid, based on what is happening in the gulf, of a diversion of attention from what is going on in poor countries, Haiti being a poor country, we all know that? Are you afraid of not finding the means you hope to find?

[Aristide] I will begin by saying that Haiti is not just a poor country. It is also a rich country, rich in human resources. It is from those human resources that we can guide this democratic transition which necessarily draws international attention. I am taking the opportunity to honor international solidarity because without international support, we would have had a difficult time on 16 December collecting the fruits of those elections.

I point out that I am not afraid of facing international opinion which is now geared toward the gulf. I must attract, however, this international attention on another war which is the invisible war going on in Haiti. Hopefully, international opinion will realize that in Haiti

there are unarmed people who are struggling for a democratic transition while facing a minority carrying weapons.

[D'Arvoud] I have one last question: You were a priest and now you are the president of a Republic. Can one so easily change those clothes? Can one do that?

[Aristide] No; it is because I am a Christian that I can assume such a political responsibility. Theological and political responsibilities intertwine and we hope to govern by the Constitution while gaining inspiration from the biblical source.

[D'Arvoud] I thank you, Mr. President for having come to visit us. [end recording]

France Pledges \$45 Million in Aid, Credits

FL3001132391 Bonaire Trans World Radio in English 1130 GMT 30 Jan 91

[Text] Haiti's president-elect, Jean-Bertrand Aristide, has ended a two-day visit to Paris to gain support for his country's reconstruction efforts. He seemed somewhat satisfied with the results of the talks. Mr. Aristide pinpoints two priority needs. They are strengthening the democratic process and boosting Haiti's literacy level.

France will provide more than \$25 million in development industries and food supplies, plus another \$20 million in credit. Mr. Aristide's visit to Paris marks a first by a Haitian leader since the country gained its independence from France in 1804.

Official Describes Inauguration Preparations

FL3001214591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 29 Jan 91

[Excerpts] The event on 7 February promises to be nice. Many preparations are being made to achieve this goal. Since last weekend, the press, and particularly television have publicized the preparations for 7 February.

Money has been released, even though it was released a little bit late. The officials who are working on the preparations are striving to make this event a great success. Work will be done at the Legislative Palace, the Port-au-Prince Cathedral, and the Airport Road. A comprehensive cleaning of the city of Port-au-Prince is to take place. This morning, we talked with one of the officials of the committee which is involved in the planning. Mrs. Gladys Lauture will tell us about these preparations and about the guests, the people who will come from abroad and the people who will come from the provinces, to participate in this party which will begin on 6 February and is scheduled to end on 9 February. [passage omitted]

We asked her to tell us the names of some heads of state or representatives of heads of state who will be here in Haiti on this occasion.

[Begin Lauture recording] Well, I think I will give you all these details on the next occasion. I can tell you that as of last night we had answers from 18 countries that will send high level delegations. All of them are not heads of state. Heads of state who will be here do include, I am sure, the Colombian president, the Venezuelan president, the prime minister of Belize, the Dominican Republic vice president, the vice president of Panama, and so forth. Today, we will compile and provide you with a complete list of all the people who have already answered. [end recording] [passage omitted]

St. Vincent and the Grenadines

IMF Wary of Future Despite Recent Gains

*FL3001134291 Bonaire Trans World Radio
in English 1130 GMT 30 Jan 91*

[Text] The International Monetary Fund [IMF] has given the St. Vincent Government good marks for its economic growth, but at the same time, the IMF has warned that the small Caribbean Community [Caricom] nation was facing an uncertain economic future because of the consolidation of the European Market in 1992.

Trinidad and Tobago

Nation Favors Caricom's Import, Export Proposal

*FL3001182591 Bridgetown CANA in English
1428 GMT 30 Jan 91*

[Text] Port of Spain, Trinidad, Jan 30, CANA—The Trinidad and Tobago Government has agreed to support a regional proposal to seek European Economic Community (EEC) funding for an import and export trade project for Caribbean cooperatives.

A release from the prime minister's Information Division said that the Caribbean Community [Caricom] secretariat is to submit the trade project to the EEC for funding under the LOME Four Trade and Aid Agreement with the African, Caribbean, and Pacific states [as received].

One of the aims of the project is to realise product development and promotion to earn or save the region foreign exchange. This will be done through training institutions, the release said. The project will concentrate on five areas of co-operatives, namely tourism, agriculture, agro-industry, fishing industry, and industrial handicraft.

Iranian Official Pledges Neutrality in Gulf War

PA3101051491 Paris AFP in Spanish 0406 GMT
31 Jan 91

[Text] Mexico City, 30 Jan (AFP)—Upon arriving in Mexico City today for a one-day visit, Mohammad Hassan Fard, the Iranian ministry's general director for America, said that Iran "will not enter the Persian Gulf war because Iraq wants it to and, thus, Iran will maintain a neutral stance."

The Iranian diplomat arrived in Mexico City from Havana and said at a news conference that his country "would enter the conflict only if the allied forces endanger our security."

"Currently there are guarantees that the multinational forces will not get Iran involved," Mohammad Hassan Fard added. The diplomat will meet with top-level foreign ministry officials during his stay in Mexico City.

The Iranian official will leave for Uruguay on 31 January. Iran will open an embassy in that country shortly.

Pemex Announces 1990 Oil, Gas Production Figures

PA3001134991 Mexico City NOTIMEX in Spanish
0008 GMT 30 Jan 91

[Text] Mexico, 29 Jan (NOTIMEX)—Mexican Petroleum [Pemex] has reported that its production of crude

oil from January to November of 1990 was 2.538 million barrels per day [bpd], which was enough to cover domestic consumption and meet overseas obligations.

The company reported that according to preliminary data, during the first 11 months of 1990, 50 percent of oil production was used to satisfy internal needs and the rest was marketed in America, Europe, and the Far East. During that time, the Campeche site produced an average 784,000 bpd, followed by Mezosoico Chiapas-Tabasco with 570,000 bpd and the remainder came from the northern, central, and southern regions of the country.

It added that 3.646 billion cubic feet of natural gas—from the mainland and off-shore deposits—was produced during the same period. This figure represents 2 percent more than in 1989. The region with the highest gas production levels was Mezosoico Chiapas-Tabasco, 1.710 billion cubic feet per day was pumped there.

In second place was Campeche, with a production of 1.113 billion, and the remaining 824 million cubic feet came from other areas of the country, reported Mexican Petroleum.

El Salvador

Cristiani: Aircraft Delivery 'Positive' for Peace

PA3001154491 San Salvador Radio Cadena YSU
in Spanish 1730 GMT 29 Jan 91

[Report by Reneo Lemus]

[Text] President Alfredo Cristiani has indicated that the aircraft delivered by the United States as military aid are a positive sign from the U.S. Government that it wants peace in El Salvador. The president said that in light of the criticism that the delivery of these aircraft could prompt, it will be necessary to explain that the purpose of these aircraft is peace, not war, although this may seem contradictory.

Cristiani stated that the Farabundo Marti National Liberation Front [FMLN] should understand that by this delivery, militarily they have no chance at all; only the peace process remains.

U.S. Ambassador William Walker and General George Joulwan, Commander of the U.S. Southern Command in Panama, delivered this morning six UH-1M helicopters and three A-37 Dragonfly airplanes. During the ceremony Walker and Joulwan were accompanied by President Alfredo Cristiani and the ranking members of the military command, led by Gen. Rene Emilio Ponce. The president stated that the aircraft are to replace planes downed by the FMLN.

[Begin Cristiani recording] What I am saying may seem contradictory, but this is a positive sign from the U.S. Administration in the pursuit of peace in El Salvador. The FMLN, however, has demonstrated in the past that certain signals given by the U.S. Congress seem to awaken the FMLN's warmongering passions. I believe, however, that this is a definite sign for the FMLN that militarily it has no chance whatsoever, and that the only solution is through the peace process. With these six, we now have nine aircraft that will replace the planes that were downed, and others that are no longer operational. In this regard, I believe that the signal given is that it is impossible for the FMLN to militarily obtain any results. [end recording]

The new aircraft are part of the military aid authorized by the United States. Part of this aid has been retained, although the disbursement has been authorized by the U.S. President. Cristiani explained that to give the peace process a chance, his government and the United States had agreed to hold back the aid for two months.

[Begin Cristiani recording] President Bush said that 50 percent of the aid would be frozen to give the peace process a chance and to try to achieve a cease-fire. This freeze would be in effect for 60 days to see if the FMLN shows that it is more serious about the peace process and try to reach a cease-fire through dialogue. We were consulted on this and we wholeheartedly agreed that the

process should be given a chance and that through that process, put an end to the violence. [end recording]

On the massacre of 15 peasants in Zapote District, Cristiani stated that he did not rule out that soldiers could be involved, but he considered it to have been more a matter of a family feud according to initial reports. Nevertheless, he said he would wait for the results of the investigations to make the accusation with evidence in hand.

The Catholic Church said that its legal office in the archbishopric has carried out its own investigation of the case and that shortly it will give out definite results.

Approves Decision on SAM's

PA3101044491 San Salvador Canal Doce Television
in Spanish 0300 GMT 31 Jan 91

[Passages within quotation marks are recorded]

[Text] President Alfredo Cristiani has said that the arrival of new planes must be viewed as a confirmation that the armed conflict in our country cannot possibly be resolved militarily and greeted the Farabundo Marti National Liberation Front's [FMLN] announcement that it has decided to return the SAM-7 missiles to Nicaragua.

The president denied that the Armed Forces are involved in the massacre of peasants in Ayutuxtepeque.

[Cristiani] "I have always said that nothing can be certain until the investigation is over."

The president stated today that a meeting scheduled for today with the commission that investigates criminal actions could not take place and for this reason he does not have the latest information on the killing of 15 peasants in El Zapote, Ayutuxtepeque Municipality.

The president denied that this crime was committed by Armed Forces elements.

[Cristiani] "That would be very strange because six Armed Forces members are relatives of the victims. I do not think they had anything to do with that. The FMLN has been trying to blame the soldiers. We do not want to point to anyone until we get definite results from the investigations, but a first look tells us that we have six Armed Forces members who were relatives of the victims. One of the soldiers was related to the 15 victims. The other five soldiers were relatives of 10 or 12 of the people who were murdered. So it does not sound logical that Armed Forces elements could have acted against their own relatives knowing they are family members. One of the victims was a former soldier, so it does not seem likely that they used to collaborate with the guerrillas."

The president noted that in spite of evidence that exists so far, it is necessary to wait for a final report from the commission that investigates criminal actions, a report he will receive Thursday. He characterized the FMLN's

announcement that it has decided to deliver all the missiles it has under its control as positive for the pacification process in the country.

[Cristiani] "The return of the missiles is a positive element that could mean that this type of weapon will no longer be used and that no more violence will be generated by this, and that on the contrary, this will be the beginning of a drop in war activities.

"We know that there has been some Soviet pressure for the return of the missiles. We hope the FMLN gesture implies a more open and flexible position within the peace process to find a solution as soon as possible."

Cristiani, along with the country's First Lady and other authorities, participated in the dedication of the antinarcotics department of the General Attorney's Office. This department will be in charge of planning, designing, organizing, directing, and implementing educational campaigns against the consumption of drugs. The campaigns will be directed, especially, at the country's children, young people, and parents.

Investigators Implicate Others in Jesuit Slayings

PA3001003491 Madrid EFE in Spanish 1533 GMT 29 Jan 91

[Text] Madrid, 29 Jan (EFE)—The Spanish parliamentary delegation that has investigated the murder of six priests and two employees of the Central American University [UCA] in El Salvador believes that "There are other masterminds behind those who have already been charged" and that they should be tried as well.

The delegation—made up of a deputy from each parliamentary group and the chairman of the parliament's Foreign Affairs Commission—visited El Salvador from 13 to 17 November 1990 exactly one year after the assassination of six Jesuits, including UCA rector Ignacio Ellacuria, who was a Spaniard just like four of the other victims.

In a report obtained by EFE today, the deputies say that "There is a clear lack of cooperation and even deliberate obstruction" when it comes "to providing exact information and documents to completely clear the case."

The delegation has specifically pointed to the Salvadoran Armed Forces and to "some sectors" of the Salvadoran and U.S. Governments, charging them with failure to cooperate. The delegation has stated that "The Salvadoran judicial branch does not have suitable conditions for exercising its functions with true independence."

The document adds: "The fact that there is no autonomous judicial policy means that judicial actions depend exclusively on the Armed forces."

The Spanish deputies have said that the judge in charge of this case has "decided" to go "all the way to try every accused person," but they believe that "everything seems

to indicate that it is going to be very difficult to incriminate other people who are allegedly involved."

The report, which is addressed to the Spanish Congress of Deputies, concludes by affirming that "The killing of the Spanish Jesuits in El Salvador demonstrates that the Salvadoran Armed Forces act with absolute impunity."

The deputies recommend that their investigation be sent to international forums to which Spain belongs because they believe that international pressure can play a very important role in the search of the Salvadoran Army and guerrillas for a peaceful solution.

Guatemala

President, Ministers 'Unharmed' in Rebel Attack

PA3001221691 Panama City ACAN in Spanish 2147 GMT 30 Jan 91

[Text] Guatemala City, 30 Jan (ACAN-EFE)—Today Guatemalan President Jorge Serrano escaped unharmed from a guerrilla attack in the northern department of Peten on the Mexican border, radio stations of the capital have reported.

Serrano was on a working tour when the attack occurred. He was accompanied by General Luis Enrique Mendoza, the defense minister, Alvaro Heredia, the communications minister, and Adolfo Boppel, the agriculture minister. The ministers also escaped unharmed.

Helicopter Forced Down

PA3001232391 Panama City ACAN in Spanish 2223 GMT 30 Jan 91

[Text] Guatemala, 30 Jan (ACAN-EFE)—Guatemalan President Jorge Serrano and three of his ministers escaped unharmed today after a guerrilla attack on his helicopter in the northern department of El Peten, it has been reported officially.

Guatemalan newsmen Axel Cocon, who was accompanying the president, told ACAN-EFE by telephone from El Peten that the helicopter in which Serrano was traveling was attacked by the rebels with rifle and machine-gun fire. A presidential source confirmed the attack against Serrano to ACAN-EFE, but did not give any more details.

Serrano was accompanied on the working tour by Defense Minister General Luis Mendoza, Agriculture Minister Adolfo Boppel, and Communications Minister Alvaro Heredia.

The helicopter had to make an emergency landing at Poptun military base because the bullets damaged the plane, Cocon added. Serrano later said in Flores, capital of El Peten, that the attack "is contrary to the friendship found among the inhabitants" of that region, and he blamed the Guatemalan National Revolutionary Unity (URNG) for the attack.

"They (the guerrillas) will not succeed in intimidating us with this incident because we will continue to search for peace in Guatemala," Serrano added. The president has reiterated calls to the URNG members to join the peace process of this Central American country.

The defense minister confirmed to the journalist Cocon that the damage done to the presidential helicopter was caused by rifle and machine-gun fire.

"The aircraft cannot take off because it was badly damaged. It is a miracle that we are alive," the general said.

This is the first rebel attack against a Guatemalan president.

Serrano, 45, an electronics engineer and professor of theology, took office only two weeks ago.

Serrano Comments

PA3101013791 Hamburg DPA in Spanish
0050 GMT 31 Jan 91

[Excerpts] Guatemala City, 30 Jan (DPA)—"They are not going to stop me with an attack like this," Guatemalan President Jorge Serrano Elias said upon returning to the Guatemalan capital after an attack against him in the northern department of Peten. The guerrillas fired at the helicopter in which the president was traveling.

In statements made at the military airport in the capital, Serrano said, "they have attacked a man who was democratically elected by the Guatemalan people," and added that he would not suspend his trips to the interior of the country. This was Serrano's first trip to the country's interior since he came to power on 14 January. [passage omitted]

Serrano said the attack did not prevent him from going to the city of Flores, the provincial capital of Peten, where he listened to the concerns and needs of the population.

The guerrilla attack against Serrano took place on the same day in which the country's religious sector, in a paid advertisement published by the local media, asked him to hold a dialogue between the government and the armed forces with the guerrillas so that the peace process could move forward.

Nicaragua

Chamorro, Calderon To Sign Security Agreement

PA3001172491 Hamburg DPA in Spanish 1544 GMT
31 Jan 91

[Text] Managua, 31 Jan (DPA)—Costa Rican President Rafael Angel Calderon Fournier arrived today in Managua on a two-day official visit. It was officially

announced that he will sign an agreement on joint patrols by the two countries' security forces along the border.

Nicaraguan President Violeta Chamorro went to the Augusto Cesar Sandino airport to welcome the Costa Rican President. She was accompanied by Cabinet ministers and high-ranking army officers, led by General Humberto Ortega Saavedra.

President Chamorro said that she welcomed President Calderon "with great joy and pleasure." Meanwhile, Calderon said that he is happy to visit Nicaragua now that he is president of Costa Rica.

President Calderon told newsmen at the airport that he was born in the Nicaraguan city of Diriamba, about 45 km south of Managua, while his parents were in exile, and that he has maintained his citizenship.

One of the topics he will discuss with President Chamorro is Nicaragua's debt of \$300 million to Costa Rica.

On 31 January Calderon will be honored by local authorities in Diriamba and Jinotepe. President Chamorro will host a lunch in his honor.

Calderon said, "I return to Diriamba after 41 years." He recalled the friendly treatment he received from the residents when his parents were in political exile.

Calderon also said that he will donate medicine for the Nicaraguan people. He admitted that this is modest aid as compared to the aid that countries such as the United States and Japan can provide.

EPS Announces High-Level Restructuring

PA3101022291 Managua Radio Corporacion
in Spanish 2329 GMT 30 Jan 91

[Text] The Sandinist People's Army (EPS) announced today that it has restructured its personnel to protect high-ranking officers, and to protect them from being retired.

According to a report issued by the EPS Public Relations Office, the changes are: Colonel Hugo Torres Jimenez is now commander of the Personnel and Cadres Division; Colonel Alvaro Baltodanos Candanedo is the commander of the EPS General Secretariat; Colonel Julio Ramos Argueyo is the director of the EPS Higher Studies and Training Center; Colonel Roberto Calderon Meza is the commander of the Logistics Section; Lieutenant Colonel Ramiro Contreras Escobar is the chief of the Officers' Staff of the EPS General Command; and Lieutenant Colonel Cesar Cardenal is now commander of the 5th Military Region, replacing Roberto Calderon Meza.

The new military commander of the 3d Region, Managua Department, is Lieutenant Colonel Julio A. Aviles Castillo.

FMLN Decision To Return Missiles Examined

PA3001222191 Managua BARRICADA in Spanish
30 Jan 91 pp 1, 12

[Text] The FMLN [Farabundo Marti National Liberation Front] has agreed to return to the Nicaraguan Government the missiles it had acquired surreptitiously, with the help of several EPS [Sandinist People's Army] officers, thereby ending a tense situation.

The agreement was reached after several meetings with government representatives and the EPS in which the FMLN commanders repeatedly refused to return the surface-to-air missiles.

BARRICADA has learned that FMLN representatives met several times with Foreign Minister Enrique Dreyfus, without reaching any agreement.

The president of the Republic ordered EPS Commander General Humberto Ortega Saavedra to meet with the FMLN representatives to try to solve the incident.

The Nicaraguan Government had warned that the Salvadoran community, which lives in Nicaragua and is linked to the guerrillas, might be ordered to leave the country. Gen. Ortega conveyed the government's message to the guerrillas. Guerrilla leaders and refugee leaders were pressured to leave the country if the Nicaraguan Government's demands were not met.

The National Directorate of the FSLN [Sandinist National Liberation Front], which maintains historical ties with the FMLN, also participated in the efforts to persuade the Salvadoran commanders to help redress the serious damage caused to the EPS' image.

Rebel political leaders, however, firmly refused the demand, claiming that the return of missiles would affect the morale of the men fighting the Salvadoran regime. They also claimed that the Nicaraguan demand would involve the ONUCA [United Nation Observer Group in Central America], which would be in charge of receiving the missiles. This would mean accepting an intervention that they do not agree with.

The FMLN leaders also said that the presence of missiles in rebel hands in El Salvador is an important element of pressure, particularly against the Salvadoran Air Force. They said that the missiles have contributed to the decrease in air attacks against the FMLN and the bombing of the civilian population.

Although the crisis is over, there is still some evidence of friction. Yesterday FSLN Commander Luis Carrion said: "We have considered this a disloyal act by the FMLN because it is not in line with the political relations and solidarity the FSLN has displayed toward them."

Carrion, however, said emphatically: "The FSLN will not forsake the Salvadoran people's just demands, claims, and calls for vindication."

Just yesterday, when asked about the reported closure of businesses and offices owned by Salvadorans in Nicaragua, Commander Carrion responded: "I am not sure. I do not know how to answer. Perhaps they can tell you more than I can."

In fact, a meeting that some people hoped would lead to a resolution of the conflict failed to take place when the FMLN General Command decided not to attend, thereby aggravating the conflict to such an extent that there was almost a break in relations with the FSLN.

But Carrion told the press emphatically yesterday: There was no break in relations. BARRICADA repeatedly tried to reach Gen. Ortega after hearing Carrion's words, but his office said that he was very busy and could not meet with us.

The sudden change of position on the part of the FMLN's political and military leaders led some diplomats—who are following the issue closely—to speculate. Some of them said that the decision to return the missiles was made only after the guerrillas had assured themselves that they would be able to obtain the same type of missiles through other channels.

A South American military expert said the Salvadoran guerrillas obtained Red-eye missiles that groups of Nicaraguan contras have been trying desperately to sell since May.

Therefore, it would seem that the U.S. Government is thus paying the price of the disorder that prevailed in the distribution of weapons to the contras over the past decade, since no U.S. agency has exact records of the missiles that were distributed to the troops of former National Guard Colonel Enrique Bermudez.

FSLN Daily Defines New Format, Editorial Line

PA3001235791 Managua BARRICADA in Spanish
30 Jan 91 pp 1, 3

[Editorial by Bayardo Arce Castano, president of the editorial staff: "The New BARRICADA"]

[Text] With this issue, we launch BARRICADA into a new era of its existence. It ceases to be the official organ of the Sandinist National Liberation Front [FSLN]. It will have a new format and assume new tasks as a revolutionary newspaper.

For over a decade, valuable experience has accumulated and there has been a great effort to produce a type of journalism that serves as a guide and is inquisitive and critical. In time, progress was made in eliminating its rhetorical language, to which any media openly linked to a political party is exposed. Despite the sharp polarization in our country, BARRICADA has reached a high level of respect, earning the trust of its readers, its sources of information, and, most of all, the intellectual sectors. It has better standards and a large volume of reporting.

For some time now, there has been a trend toward pluralism within this newspaper, an opening for all sectors. This is due to a need to reach far beyond sectors that already have stated positions, such as the Sandinists. Journalistically, BARRICADA is inspired by national interests. This philosophy becomes the newspaper's slogan effective today. The need to consolidate peace, achieve stability in Nicaragua, and strengthen the de jure system and the democracy forged by the Sandinist People's Revolution, are the determining factors upon which BARRICADA bases its daily journalistic activities concerning national interests.

..... It is obvious that these changes, which have been underway for the past few months, do not mean that BARRICADA will cease to be a Sandinist newspaper. Although no longer the official FSLN publication, it is still owned by the FSLN. It will operate, however, under a broader political definition as a newspaper of the revolution and, consequently, will favor national interests.

Following the FSLN electoral defeat, BARRICADA began a reviewing process and established guidelines for a strategy of opposition to the government so as to defend national and popular interests. This process, which will reach its climax with the first congress, is the main point of reference for the FSLN National Directorate in its review of the basic definitions of the role that BARRICADA has already begun to play under the new political conditions. BARRICADA's re-launching could not wait for the culmination of the FSLN's reorganization and reprogramming process that is to take place at the congress. On the contrary, the newspaper must play an active role. It is a tool to help in the political cohesion of Sandinism, to promote internal discussion, and to democratize the FSLN.

In this regard, one of BARRICADA's most distinctive characteristics has been to act as a forum for debates for the various ideas and experiences within the FSLN in order to strengthen internal political opinion. BARRICADA has also become a check of government work and a full defender of the people's democratic rights and institutions; it is an informer and public opinion shaper.

BARRICADA's political characteristic at this stage is an opposition newspaper, but this is not its principal attribute; rather, it is a newspaper that is committed to society's complete democratization, from the viewpoint of the popular sector.

This is why this has been and will continue to be BARRICADA's banner:

- The defense of the law, the Constitution, and democratic rights. Among these, freedom of expression is most important.
- The increase in people's participation.
- The struggle of society's political depolarization and the channeling of its conflicts toward democratic venues.

- The defense of socioeconomic alternatives that benefit the development of the people's sectors in an atmosphere of equality and social justice.

- The defense of independence, sovereignty, and culture values.

- The FSLN's unity and democratization, its new programs, and its image in society as a forger of an authentic, democratic, and participative political culture.

To achieve these goals, BARRICADA will retain its characteristic as a newspaper containing general information with a national scope. Its journalistic strategy will be to achieve a balanced newspaper that can compete with the biased news prevailing in Nicaragua. This calls for a consultation with the various sources for the preparation of the news and the presentation of opposing views in an effort to strengthen its credibility and professional qualities. Based on this philosophy, it will also continue to publish different supplements, even though they may have their own characteristics.

BARRICADA is striving to become a leader of public opinion. This calls for an active participation and the adoption of positions in national debates, not only in political matters, but also in all topics of interest to the population. This is the new responsibility that the FSLN National Directorate is placing upon the shoulders of its director Carlos Fernando Chamorro and the team that will accompany him in the new stage that is officially being inaugurated today.

Daniel Ortega Meets PLO's 'Arafat in Tunisia

PA3101032791 Managua Sistema Nacional
de Television Network in Spanish 0330 GMT 30 Jan 91

[From the independent "Extravision" newscast, directed by Manuel Espinoza, former information minister in the Ortega administration]

[Text] Former president Commander Daniel Ortega arrived in Tunisia today. He is visiting that country for the second time in his peace efforts. The Nicaraguan president met with PLO President Yasir 'Arafat in the afternoon.

Yesterday in Amman, the previous leg of his tour, the Sandinist leader met with King Husayn, who gave his total support to the formation of the coalition for peace. The statement by King Husayn was given wide coverage by the Spanish press, which today published a photograph of the Jordanian monarch alongside King Juan Carlos of Spain.

Panama

Caller Claims Attack Scheduled for 31 Jan

PA3001125191 Panama City EL PERIODICO
in Spanish 30 Jan 91 pl

[Text] An officer who claimed he is in hiding called EL PERIODICO to say that the arrest of ten members of the

National Police and the Maritime Service is merely an attempt to conceal the degree of discontent that exists in the institution because of the constant outrages and humiliation imposed on officers and troops.

The officer told EL PERIODICO that "a group of armed and trained men would not attack a family apartment to steal a few dollars, when they could easily hold up a bank or a business establishment."

According to his report, the arrested officers are part of a large group of officers and enlisted men who are ready to act during the Saint Don Bosco religious procession on 31 January.

The officer commented on a report carried on television yesterday. He said that a coup d'etat movement has spread throughout all branches of the Public Force. Currently, eight of the main leaders of the movement are hiding in several parts of the capital city and the interior of the country.

Columnist Warns of Pending Coup Against Endara

PA3101135791 Panama City EL DIARIO
INDEPENDIENTE in Spanish 31 Jan 91 p 4

[From the "Off the Record" column]

[Text] The conspiracy to oust President Endara Gali-many following carnival festivities will begin with a press

campaign followed by mass demonstrations, the closing of streets, and spontaneous gatherings. There is plenty of money involved.

If President Endara does not put on his pants and get tough with the traitors who are stabbing him in the back (some belong to his own political party), soon they will put out his eyes. With enemies like that...

GI's Said To Obstruct Voting in San Felix

PA3001182291 Panama City EL PERIODICO
in Spanish 30 Jan 91 p 1

[Text] Prior to 1700—the deadline for the holding of the 27 January elections as set by the Electoral Tribunal—U.S. soldiers in uniform showed up at a school in San Felix, Chiriqui, where a voting site had been established, and declared the poll closed.

A source told this newspaper that the elections in San Felix were marked by both a "barefaced" display of money and liquor distributed by government politicians and the harassment of the people who indignantly saw their right to vote restricted by "intruders from the occupation forces."

Argentina

Envoy to Saudi Pledges Help To Rebuild Kuwait

PY3001230891 Buenos Aires BUENOS AIRES
HERALD in English 29 Jan 91 p 11

[Excerpts] (DYN)—Argentina's ambassador to Saudi Arabia, Jorge Uriburu French, returned to Buenos Aires yesterday. Speaking to journalists at Ezeiza International Airport, Uriburu French said that Argentina would help to "rebuild Kuwait" and said Kuwaiti businessmen were interested in investing in Argentina. [passage omitted]

Uriburu French said: "I haven't the slightest doubt that we will be one of those countries helping to rebuild Kuwait...because we have all they need."

It was the ambassador's second return visit to the country in two weeks and he announced the "firm decision" of Kuwaiti businessmen to invest in Argentina "after the situation calms down" in the Gulf region. [passage omitted]

Uriburu French denied that the Gulf War would last several months as stated by US and British officials, saying that attacks on Saudi Arabia would cease in "a short time." [passage omitted]

Juanarena Denies Condor-2 Sales to Iraq

PY3001231491 Buenos Aires BUENOS AIRES
HERALD in English 30 Jan 91 p 11

[Excerpts] (NA-DYN)—Former Defense Minister Horacio Jaunarena yesterday continued his exchange of accusations with Foreign Minister Domingo Cavallo over the alleged sale of Condor II missiles to Iraq by the Radical administration.

In a letter Cavallo sent Jaunarena which was distributed to the press last week, the future Economy Minister said he had evidence of sale of Argentine weapons to Iraq but Jaunarena said the accusation was "a total lie" and repeated what he had said several times before: That there was no such sale.

This time, however, he stressed that Cavallo's information on the alleged sale came from British intelligence.

Jaunarena stated that during the 1983-1989 Radical administration the British secret service was spreading false news about Argentine weapons sale to Iraq to bring the international support for Argentine Malvinas claims down and prevent Argentina from making scientific developments in arms technology.

The aide of ex-President Raul Alfonsin commented that "the fact that such a rumour would reach Cavallo in understandable. The fact that he could have believed it is alarming."

In his letter, Cavallo had pointed out that "the worst political mistake of your government on this issue was not to sell technology to Iraq, which was something

many Western countries were doing at the time, but to allow the national territory to be used for the proliferation, production and sale of missiles which are strictly forbidden according to international law."

In relation to this last statement, Jaunarena underlined that "what the Radical government tried to do is to develop that technology by our own means, and from the moment we started doing that we received heavy pressure, especially from the United States government."

The ex-minister explained that in his opinion Argentina should renounce building missiles only if other countries agreed to do so too.

Jaunarena contended that Cavallo's accusations "are a move to divert public attention from the real issue today, which is the decision of the government to send Argentine troops to the Persian Gulf." [passage omitted]

Finally, the Argentine Commission of Solidarity with the Iraqi People carried out last night a rally "to repudiate the imperialistic aggression and to demand the immediate return of the Argentine vessels" operating in the Gulf area.

The Patriotic Movement of Liberation, which organized the rally together with the Revolutionary Communist Party and the People Labour Party, yesterday highlighted "the brave and firm decision of Iraqi President Saddam Husayn to recover part of his nation's territory and not to give in before the pressure of the international coalition which has started a genocide against the Iraqi people."

Cavallo Reports to Congress, Requests Cooperation

PY3101024691 Buenos Aires TELAM in Spanish
0024 GMT 31 Jan 91

[Excerpt] Buenos Aires, 30 Jan (TELAM)—Economy Minister-designate Domingo Cavallo said today that the government trusts that the increase in the dollar rate will add very few points to the inflation rate. He made these comments during the general report he made in Congress to national deputies from various political parties.

Cavallo warned that while at the head of the Economy Ministry, he will not seek short-term credits aimed at obtaining electoral support. He promised to relentlessly fight corruption and said tax evaders will be severely punished. He also asked the congressmen to cooperate in building a new economic organization for Argentina.

Cavallo's political gesture of appearing before Congress a few hours after being appointed was seen very positively by most of the opposition congressional blocs in the Chamber of Deputies, including the Radical Civic Union (UCR) bloc with which he had hard confrontations while he was the foreign minister. These clashes increased recently when Argentina decided to take part in the multinational force fighting against Iraq.

Cavallo also promised to have frank, respectful relations with Congress. Speaking in the name of his bloc, UCR bloc leader Cesar Jaroslavsky said the UCR is satisfied with the minister designate's good disposition toward the Chamber of Deputies and thanked Cavallo for his remark that he will willingly listen to the proposals to be presented by the deputies. [passage omitted]

Former Economy Minister Suspends Swiss Trip

PY3001162291 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1555 GMT 30 Jan 91

[Unattributed special correspondent report]

[Text] Bern, 30 Jan (NA)—A government source has reported that Erman Gonzalez, defense minister-designate and former economy minister, today suspended his trip to Bern where he was scheduled to have signed agreements with the Swiss Government that provide guarantees for Swiss investments.

Gonzalez suspended what would have been his last official mission as economy minister after a meeting with President Carlos Menem at Government House for which he was summoned at 1100 local Buenos Aires time.

The defense minister-designate was scheduled to leave Argentina just five hours later.

Appointment of Central Bank Head To Be Delayed

PY3001142491 Buenos Aires TELAM in Spanish
1335 GMT 30 Jan 91

[Text] Buenos Aires, 30 Jan (TELAM)—Economist Roberto Alemann has turned down the job of president of the Argentine Central Bank [BCRA] for strictly personal reasons. Alemann conveyed his decision to Economy Minister-designate Domingo Cavallo at approximately 1100 local time today. He asked Cavallo to stress his reasons for refusing the job.

Presidential Spokesman Humberto Toledo relayed this information to journalists at Government House, adding that Felipe Murolo [BCRA director and vice president-designate] will continue at the helm of the banking institution. Toledo added that once Cavallo assumes the post of economy minister he will appoint a president for the BCRA.

Judge Orders Arrest of Former Tucuman Governor

PY3101022491 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0145 GMT 31 Jan 91

[Text] San Miguel de Tucuman, 30 Jan (NA)—Criminal Judge Patricio de Zavalia tonight ordered the arrest of former Tucuman Governor Jose Domato and several former members of his cabinet. The judge ordered the arrests on charges of embezzlement of funds belonging to the Tucuman Social Action Ministry.

Bolivia

PLO Representative: CNN Distorting War News

PY3001155291 La Paz EL DIARIO in Spanish
19 Jan 91 p 5

[Text] George Salameh, representative of the Palestine Liberation Organization (PLO) in Bolivia, yesterday harshly criticized the flow of information on the developments in the Persian Gulf, stating that large U.S. media chains have set up a whole "disinformation" plan to confuse the world.

The Palestinian diplomat told EL DIARIO that CNN [Cable News Network] is distorting (the news), by disclosing false reports to confuse the people and to tone down the resistance against the war in the Persian Gulf. He said: "These reports have been handled in such a way that the complete truth has been distorted and the world has been led to believe that what was not thought possible has been achieved in just three hours."

Salameh stated that, according to CNN, the Pentagon had already ended the war and the United States has achieved its objectives.

He stated, moreover, that according to information received from the conflict area, Iraq had started its counter offensive actions against the western military forces based in Saudi Arabia with a massive bombing of Riyadh which destroyed U.S. ships and downed 14 French combat aircraft and 11 U.S. and British planes.

According to Salameh, the counter offensive actions started at 0900 Iraqi time, and several Saudi Arabian oil platforms were bombed, causing huge fires.

In addition to labelling the successful attacks by the allied U.S. and other western forces "an attack on the Arab world", the PLO representative said that developments show the United States as the winner, however, "this does not mean it has or will win the war."

Salameh reiterated that information is being distorted at an international level and added: "The only source of information available to the international media is CNN, which receives its information directly from an information military junta based in Saudi Arabia."

The PLO representative said that the Palestinian people categorically condemn "the U.S. imperialism's attack" on the Iraqi people. He stressed that this action represents an attack on the entire Arab world.

Salameh said that the PLO has appealed to the people of the entire Arab nation to take up arms and form part of the resistance against "western imperialism, especially U.S. imperialism."

He said: "The PLO is defending Iraq the same way it defends its own Palestinian cause. We are on Iraq's side until the end of the battle."

However, in Salameh's opinion, not all hope is lost, as long as the United States reflects and accepts a cease-fire before things get worse. He said that "the United States must accept negotiation and dialogue with all parties involved in the conflict, must accept a peaceful outcome and give up its arrogant attitude, and put down its big stick policy that it uses to achieve its objectives by imposing itself through the use of force. Force will not achieve anything but destruction and disaster in the Middle East and other European regions."

Salameh then said that three outstanding Palestinian leaders were murdered in an attempt to abort a final peace effort because one of them—Abu Iyad—was supposed to have delivered a proposal, through the Italian Government, to avoid the conflict, a point that was personally confirmed by the Italian foreign minister.

Media Coverage of Terrorist Trial Criticized

PY3001124491 La Paz PRESENCIA in Spanish
16 Jan 91 p 12

[Excerpts] (ANF)—Interior Minister Guillermo Capobianco today criticized the level of coverage that the media is giving to the evidence of one of the arrested members of the Nestor Paz Zamora Commission for National Liberation (CNPZ).

"I do not believe that it is right to disseminate a positive image of terrorism," the minister said in an appeal to the media.

The minister was referring to the information that has been disseminated on the evidence being given to Judge Antonio Santa Maria by Julio Sebastian Acasigüe (a CNPZ member). [passage omitted]

Capobianco stated that those arrested in the CNPZ case have not denied that they opened fire when asked to surrender by the National Police on 5 December in La Paz. [passage omitted]

The minister termed absurd the accusation by Acasigüe, who stressed that Interior Ministry agents threatened the arrested persons with death. Those arrested are now being held in the public jail of this city. [passage omitted]

Credit for Santa Cruz Agricultural Plan Granted

PY3001132691 La Paz PRESENCIA in Spanish
16 Jan 91 p 7

[Excerpt] The International Fund for Agricultural Development (FIDA) has just granted Bolivia a \$12-million credit for an agricultural project in Santa Cruz. The contract was signed in Rome by Bolivian Ambassador Franz Ondarza and FIDA president Idriss Jazairy.

FIDA has a project for the development and the consolidation of small farmers' settlements in the department of Santa Cruz. This project will represent \$16.7 million in total investments. The project resulted from talks held

by President Jaime Paz Zamora during his visit to Italy in April 1990. [passage omitted]

Brazil

Iranian Minister: Planes To Stay Until War Ends

No Additional Oil Necessary

PY3001160491 Rio de Janeiro Rede Globo
Television in Portuguese 1520 GMT 30 Jan 91

[Excerpt] Iranian Mines and Metals Minister Mohammad Mahlujchi promised today in Brasilia that the Iraqi planes currently in Iran will remain there until the war in the Gulf is over.

The Iranian minister was met by Brazilian Infrastructure Minister Ozires Silva. Minister Silva said that Brazil does not need to increase its purchases of oil from Iran. The Brazilian minister met Iranian Minister Mohammad Mahlujchi and greeted him at the airport. After all, it is not all that frequent for visitors to bring prospects of good deals, as is the case of the Iranian minister.

The objectives of the visit were made public at the VIP hall of the Brasilia airport.

The Iranian minister is interested in decorative stone [not further identified] for agriculture and raw materials for the building of an iron and steel plant on the Strait of Ormuz in the Persian Gulf. In exchange Iran wants to sell oil to Brazil. [passage omitted]

Firm Wins Plant Bid

PY3101021891 Brasilia Domestic Service
in Portuguese 2100 GMT 30 Jan 91

[Excerpts] Iranian Mines and Metals Minister Mohammad Mahlujchi said in Brasilia today that the 100 Iraqi military airplanes currently in Iran will not be used or allowed to leave before the war in the Gulf is over. [passage omitted]

Infrastructure Minister Ozires Silva also announced that the Brazilian company Andrade Gutierrez just won a bid to build a hydroelectric plant in Iran.

[Begin Silva recording] An announcement was made in Iran today that the Andrade Gutierrez Company won a bid, in association with the Soviets, to build a two-million kilowatt hydroelectric plant worth \$1.4 billion. It is definitely a good civil construction agreement because we have the knowledge. Andrade Gutierrez will participate in this project along with the Soviets. The company won the bid in competition with the Germans and Italians. [end recording]

Brazil is currently buying 120,000 barrels of oil everyday from Iran. Iran said this amount can be increased any

time Brazil wants to do so. The Brazilian private sector is currently conducting \$500 million worth of business in Iran.

Iranian Minister Mohammad Mahlujchi will visit the Carajas Dam tomorrow. He will also visit Usiminas [Minas Gerais Iron and Steel Mills, Inc.].

Iran Asks Petrobras To Transport Oil From Gulf

PY3001144291 Rio de Janeiro O GLOBO in Portuguese 29 Jan 91 p 22

[Excerpt] Brasilia—Eduardo Teixeira, the state company president, has reported that Iran has offered Petrobras [Brazilian Petroleum Corporation] the job of hauling crude oil from the Persian Gulf region near the war theater. To do this the Petrobras tankers would not have to enter into the Gulf war zone itself where risks are more direct. Petrobras is considering the offer to see if it is financially viable.

Eduardo Teixeira informed President Collor of the offer at the meeting held in the Planalto Palace yesterday to evaluate the domestic situation of oil-byproducts supply. Teixeira said that by late in the afternoon he had not received the results of the analysis that he had requested from the company's technical sector. He added that the offer might not [as published] be financially viable because the Brazilian ships are normally plying the Gulf region and have not encountered any problem resulting from the conflict. In addition to the conditions of access, the premium (discount offered by producers) on the shipment value when the ship enters the Gulf reduces the oil price and makes the deal attractive. [passage omitted]

Deployment of Medics, Peacekeeping Force Viewed

PY3001135291 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 30 Jan 91

[Text] Army Minister Carlos Tinoco has said that Brazil could entertain the idea of sending medics and male nurses to join the medical corps of the allied forces in the Persian Gulf. He ruled out, however, the possibility of installing a campaign hospital on the battle front.

Tinoco said that the EMFA [Armed Forces General Staff] and the Foreign Ministry are studying this issue. He added that they are also studying the possibility of sending a peacekeeping force if requested by the UN.

The Red Cross is registering volunteers throughout the country to work in the peacekeeping force that could be sent to the Persian Gulf. In Brasilia, more than 200 people have registered in barely three days. Most of them are young people between 18 and 25 years of age who are looking for new personal experiences or work opportunities.

(Adonisa Alves Lima), the Red Cross president in the Federal District, has said that the volunteers will receive first aid training and will work in the health area.

In Rio Grande do Sul, the Brazilian Red Cross has registered 382 volunteers to assist the refugees and victims of the Persian Gulf war.

According to Brazilian Red Cross Vice President (Paulo Paim), 40 percent of these volunteers are medics, male nurses, and paramedics. He added that the Red Cross is in a state of alert and that it will continue to register volunteers throughout the country.

* Internal Conflicts Within Cabinet Surveyed

91SM0158A Sao Paulo VEJA in Portuguese 26 Dec 90 pp 32, 33

[Unattributed article: "Secret Enemies"; first paragraph is VEJA introduction]

[Text] On its first Christmas in Brasilia, the team of the administration of Fernando Collor invented a new game for the holiday season: "Secret Enemy." In addition, Minister of the Economy Zelia Cardoso de Mello said she will take legal action against AutoLatina for raising its selling price for automobiles, and Minister of Health Aleni Guerra joined the attack on the pharmaceutical industries, which he accuses of "subjecting the Brazilian people to a Machiavellian process" by raising the prices on medicines. The great Christmas spectacle in Brasilia, however, is the conflict within the cabinet.

The most recent episode in this area occurred last week and involved one of the most sensitive issues in connection with restraining governmental expenditures in the nation, namely the increase in the pay of the military. Members of obscure organizations consisting of retired officers sent to Brasilia a list of demands identical to those of the CUT [United Federation of Workers] of Jair Meneguelli. They wanted a readjustment of 441 percent, but en route to Brasilia the proposal was revised downward to 200 percent. By the time General Jonas Correia Neto, chief of the Armed Forces General Staff (EMFA), decided to take the matter to the administration, the request was for a 100 percent increase. During his meeting with Justice Minister Jarbas Passarinho and Economy Minister Zelia Cardoso de Mello, still another proposal was agreed on—by a vote of two in favor (Jonas and Passarinho) to one against (Zelia)—whereby the military would get a 95 percent raise and civil servants would receive 81 percent.

Cannibalism in the Cabinet

Seventy-two hours after this announcement, however, the 95 percent readjustment became 81 percent—the first time in Brazilian labor history that a salary increase had been reduced. What is disturbing about this turnaround is that it did not involve any problem that was in any way unusual in the operation of the Brazilian Government but merely involved the sort of conflicts and difficulties that have been part of the daily routine of all cabinet ministers during the past several decades. Although the idea of paying a 95 percent increase to military personnel and 81 percent to civilians may delight a government that is preoccupied with

reducing expenditures on personnel, the problem is that it has no legal justification. All any government employee needs to do is go to court to demand his rights and the money will wind up in his pocket, producing the well-known "cascade effect" that swept away the Cruzado Plan, the Bresser Plan, and the Summer Plan of Zelia's predecessors.

"There are disparities, but many of them are of a bookkeeping nature," Passarinho declares. "Sometimes a ministerial team keeps books that do not square with those of the economic team, and that is normal, because the Ministry of the Economy has a more comprehensive vision of expenditures. When in doubt, caution is the more advisable course." On other occasions, however, the conflict among cabinet ministers has been a little more bloody than a mere debate concerning "bookkeeping and caution." On Wednesday 12 December, the day Congress passed the Agricultural Law, there was a conflict going on behind the scenes between the team of Zelia Cardoso de Mello and that of Minister of Agriculture Antonio Cabrera—a conflict that already has earned a place of distinction in any anthology on the subject of ministerial cannibalism.

Cabrera personally took the field to sell his bill to the members of Congress. During the heat of the debate he discovered who was sabotaging his efforts—the economist Joao Maia, executive secretary in Zelia's ministry. Cabrera sought out the politicians to ask them to vote for his bill. Maia traversed the same route, but to ask for votes against the bill. Not even Senator Jose Ignacio Ferreira, the administration's leader in the Senate—who should be well informed as to the orientation of Planalto Palace, if only as a consequence of performing the natural functions of his office—was able to stay clear of the confusion. The senator was first approached by Joao Maia, who "gave him the word": the administration was opposed to the bill, and if possible Jose Ignacio should even prevent the bill from being included on the agenda and coming to a vote. The senator found this a little strange—inasmuch as the bill bore the signature of a cabinet minister—but he decided to take action.

"How Can I Handle This Confusion?"

The senator was already in the field lining up allies when Cabrera put in an appearance. The agriculture minister informed the senator via telephone that he did in fact need support but only for the purpose of taking the bill before the full Chamber of Deputies for its approval. "But Mr. Minister," the senator complained, "how can I handle this confusion?" Cabrera argued that where cattle, ranches, crops, and harvests are concerned, he—Cabrera—was best qualified to speak in the name of the government. Senator Jose Ignacio tactfully gave Cabrera to understand that he was not so sure this was the case, and that he would change his attitude and begin to say "yes" to a proposal to which he had previously been saying "no" only if he received a signal from Planalto Palace.

The signal did come (it was "yes" for Cabrera), whereupon Jose Ignacio entered the battle in the same way as the general who drew up a plan to invade Paraguay and in midstream decided to lead his troops to conquer Japan. Joao Maia continued his activity right up to the last hour. He sought out votes against Cabrera in the PDS [Social Democratic Party], PFL [Liberal Front Party], PSDB [Brazilian Social Democracy Party], and even the PDT [Democratic Worker's Party]. "We were in a surrealistic situation whereby a high official of the government was asking the opposition politicians not to support the bill in question," one member of Congress observed with amusement. "Maia was so determined that he continued telephoning even after the voting had been concluded." The troops of Jose Ignacio, advancing by fits and starts, finally reached Japan, and Cabrera's Agricultural Law—consisting of 109 articles—was passed.

This sequence of skirmishes involves a mixture of chemical components of a diverse nature. There is one individual who figures in a majority of these conflicts, and that is Zelia Cardoso de Mello. There is also an equation common to most of these conflicts: frequently, it is Zelia who digs a trench in front of the government's coffers to prevent them from being opened to grant salary increases or subsidies, while her colleagues in the administration for various reasons want to get hold of the key to grab a share of the contents. The tumultuous conflict over the Agricultural Law, for instance, is a rather clear example. Here was a bill which in 109 articles proposed the granting of 57 tax breaks. "It can be argued that some of the 57 are useful, and it can be conceded that others are merely eccentricities," says Deputy Jose Serra of the PSDB. "The problem is that taken as a whole, it is the largest mass of subsidies per square centimeter in the economic history of Brazil."

Another problem is the fact that it is increasingly difficult to know when the government wants to go to Japan and when it is dreaming of Paraguay. Secretary for Administration Joao Santana, for example, was involved for three months in congressional debates in connection with drafting the new civil service statute. After concessions were made on all sides, what emerged was a bill that no one regarded as ideal but that was considered—for diametrically opposed reasons—to be the least harmful bill possible. At the very moment he was about to study the bill, however, President Fernando Collor turned it upside down. Eleven articles were excised from the original proposal, including the article that proposed an automatic promotion for any civil servant who opted to take early retirement, which is a traditional tool of a government that is interested in shrinking its roster of employees.

The Curtain Had Fallen

A similar difficulty has arisen in connection with one of the recurrent themes of the present government—the social compact. No one had been talking about a social compact when the then minister Bernardo Cabral

decided to invite labor unions and employers to meet in Brasilia. Subsequently, President Collor personally exerted himself in behalf of the success of the event and even met with the PT [Workers Party] mayor of Campinas, Jaco Bittar, to ask him to transmit an invitation to Jair Meneguelli of the CUT [United Federation of Workers] to join in the negotiations. Wearing an ultramarine blue three-piece suit, Meneguelli went to Planalto Palace and met with the president for 40 minutes. Time passed. Cabral left the government and the CUT renounced the compact, but some of the unions and employers succeeded in drafting a proposal for a national agreement. When they went to present the proposal to the government, however, they discovered that the curtain had already fallen on the play. Last Friday in Brasilia, during a formal meeting of his cabinet, President Fernando Collor again brought up the subject. "Such a national agreement is imperative in a nation that is determined to achieve modernization," he told a nationwide radio and TV audience.

The government has entered the holiday season with one victory and one unknown quantity hanging on the Christmas tree of its problems. The victory belongs to President Fernando Collor, who—even with the nation on the threshold of a recession of drastic proportions and an inflation rate that never stops increasing—is still getting rather healthy approval ratings. According to an IBOPE [Brazilian Public Opinion and Statistics Institute] survey published last week, the president enjoys a 58 percent approval rating among Brazilians—a rating surpassed only by the Catholic Church and by the nation's radio stations. The "unknown quantity" is: How will his administration fare after New Year's Day? "We have a president, but we do not have a government," observes the governor-elect of Bahia, Antonio Carlos Magalhaes.

[Box, pp 32, 33]

The Conflict in the Top Echelon

1. Justice Minister Jarbas Passarinho wanted to use the most recent meeting on the subject of the social compact to discuss the proposal of the workers and employers and find a diplomatic solution to the various impasses. Zelia tripped him up by announcing a bonus of three percent above wages which was subsequently increased to a figure that varied from seven to 12 percent, depending on the wage category. The government invented the compact and caused its collapse.

2. General Jonas Correia, chief of the Armed Forces General Staff, succeeded in getting the government to approve a larger salary increase for the military than for civilians—95 percent as against 81 percent. Seventy-two hours after its announcement the measure was withdrawn on instructions from Collor, who believed it was inappropriate to line the pockets of the military civil servants and leave the poor civilians on bread and water.

3. Agriculture Minister Antonio Cabrera fought to have the Senate approve the 109 articles relating to agricultural credit, and he was obliged to cross swords with the economic team. Joao Maia, executive secretary in the Economy Ministry, headed a lobbying effort to remove the bill from the agenda. Only the intervention of President Fernando Collor put an end to the skirmishing. The agricultural credit bill was approved.

4. Secretary for Administration Joao Santana spent three months negotiating the new civil service statute. After it was approved by Congress, 11 essential articles were vetoed by President Collor. Santana was shattered by this defeat, which was celebrated by Zelia and by the economic team.

* BC President Terms Constitution Inflationary

91SM0152B Sao Paulo FOLHA DE SAO PAULO
in Portuguese 24 Dec 90 pp B1, B3

[Interview with Central Bank President Ibrahim Eris, conducted by Gilberto Dimenstein, chief of FOLHA DE SAO PAULO Brasilia bureau, and bureau editor Valdo Cruz; place and date not given; first two paragraphs are FOLHA introduction.]

[Text] During the coming year the administration is going to wage "the battle of the Constitution," in order to try to change certain segments of the Constitution the economic team believes are inflationary. This was the assurance given by Central Bank [BC] President Ibrahim Eris, 45, in an interview with FOLHA DE SAO PAULO. According to Eris, the Collor administration is unable to institute new social programs to attenuate the effects of the recession, or even to proceed further with its reforms, because it has been stymied by the text of the Constitution.

"In this country, this book (picking up a copy of the Constitution from his desk) is what reigns supreme, and it does not permit the government to dismiss a public servant," the Central Bank president complained, calling it "an inflationary Constitution." Eris also advocates an end to free higher education for the "children of big businessmen." In his opinion, the university should be tuition-free only for the "children of factory workers."

[FOLHA] - Is the administration making a mistake in not creating a social "cushion" to soften the effects of this crisis for the low-income population?

[Eris] Look, we must not lose sight of the fact that this is a poor country, with a terrible pattern of income distribution. So the social problems we face are enormous, compared to the resources the government has available for dealing with them. This is a tragic fact, but a fact nevertheless. Given the means available to it, the government is doing as much as it possibly can. On the other hand, we cannot forget that we are living in this country, where this book (picking up a copy of the Constitution from his desk) is what reigns supreme. This book does not permit the government to dismiss a public servant. Nor does it allow the government to stop

putting even a few pennies into the Social Security system this year, to assist someone who is covered by Social Security benefits.

[FOLHA] Is the Constitution a stumbling block?

[Eris] Yes, and you must also look at the resources the government has to work with. Taxes have reached such a level that there is nothing more we can do—except combat tax evasion, where there is a lot that can be done, and we are doing it. The fact is that potential gains in that area are limited. Furthermore, federal government spending is at a minimum.

[FOLHA] So you believe this is a Constitution that causes inflation?

[Eris] I think this is an inflationary Constitution.

[FOLHA] Do you think, for example, that tuition-free university education should be abandoned?

[Eris] Yes. Free university education nowadays, in Brazil, is impossible, because the son or daughter of a big businessman has to have the same right as the son or daughter of a factory worker—or even the factory worker himself. You could, of course, guarantee free higher education for the lower classes and eliminate the rest.

[FOLHA] So you see the university as a subsidy for the rich?

[Eris] Certainly it is a subsidy.

[FOLHA] So the government is going to wage a battle of the Constitution next year?

[Eris] Yes, it will be a year of battles over the Constitution.

[FOLHA] Do you think this country will come to an agreement with its overseas creditors?

[Eris] Look, we are negotiating now. And so to say that we will not make any concessions would be the same as saying I am not going to negotiate. Our basic position is that since the bulk of this external debt, 90 percent, is owed by the public sector, we have to sign an agreement that the public sector can actually live up to, without creating inflationary pressures. There is a lot of room to negotiate within that position. On the other hand, they have their positions. They are right when they say that the arrearages must be negotiated separately. Because if you treat the late payments the same as you treat the principal of the debt, this encourages late payment of interest charges.

[FOLHA] Is there any middle ground between these two positions?

[Eris] Yes. The only thing that is creating difficulties now is a stupid thing. They are telling us to reach an agreement on the arrearages, so that then we can talk about the rest. But we need to have an idea of what will be asked of us concerning the loans due over the middle and long-range future, during the next two or three years,

which are critical for us. That is because Brazil is not going to be able to count on foreign financing. But I think we can find a middle ground there. I am not going to say what it is, but I think there is some leeway. We are going to reach an agreement.

[FOLHA] But might this delay cause the banks to put pressure on this country, by cutting off lines of credit?

[Eris] They might even think so, that we can do that [as published]. But so far, I have not felt any pressure. If they do that, they are going to lose money. Besides, if the country loses its short-term lines of credit, its ability to pay declines, and then they will receive less interest. That would be counterproductive. I assure you this country is not going to starve to death.

[FOLHA] If we go into March without an agreement, can the country continue paying 30 percent of the interest that will be coming due?

[Eris] Look, we have not said anything about what is going to happen starting in March, for the very reason that we expect to reach an agreement by then. Now, we have always said that we are willing to make payments within our ability to pay; 30 percent is within our ability.

[FOLHA] So the country can keep making payments?

[Eris] Yes, but it depends on how the negotiations go. When we get closer to March, we will decide.

[FOLHA] Are business leaders focusing more on the defects of the administration than on its virtues?

[Eris] Sometimes I wonder about that. No one likes a recession—not the government, not the worker, not the businessmen. It is normal for tensions to develop during times of recession. It was that way in the past. Now we are trying to change an inflationary culture. We all really do have a virus in our blood, the inflation virus. Perhaps when the public asked for economic stabilization, it was not aware of the costs that this could involve, depending on the adversities that might arise. And we have faced three adversities.

[FOLHA] What are they?

[Eris] One was foreseeable—the election year. An election year is always traumatic in any country, because of the political pressures. Of the other two, one of them had a greater effect than we expected—the agricultural shock. The third, which was completely unexpected, was the petroleum crisis. Those shocks show how fragile the economy is and prove that a stabilization plan must be a permanent fixture. And so the costs of the plan were higher than we expected.

[FOLHA] But is the government not partly to blame in this, because it came in and said that inflation would end very quickly?

[Eris] I have never been afraid to accept blame and admit mistakes. If we did not make mistakes, we would

be gods. That the results have not been produced at the pace we promised is certainly true. But can it be that there is nothing good about the way inflation is behaving now, when it goes up, but also falls? We were criticized when the petroleum crisis came along. People accused us of having said that the crisis would not affect this country. That is not exactly what we said. The problem is that the whole world thought this craziness of Saddam Husayn would be a passing thing—would last about 30 days. When I went to Washington I talked with a lot of people, and the only one who told me the crisis could be a prolonged one was Alan Greenspan, chairman of the Federal Reserve Board. So we waited awhile before we incorporated the cost of petroleum into the fuel prices. But what basis were we supposed to use?

[FOLHA] But the government conveyed the idea that it would be easier to bring down the inflation rate.

[Eris] I think that today, everyone would agree that we are not dealing with a situation where inflation is exploding, where it amounts to 30 or 40 percent. Everyone agrees that the level is high, but that inflation is reasonably well stabilized. And so I can say that in 1990, the Collor administration succeeded in bringing inflation down from 100 percent to somewhere around 15, 17, or 18 percent [a month]. That, I believe, is an achievement. Of course, it has not been 3 percent a month, which would mean 40 percent a year. Can the difference be explained only by factors exogenous to the plan? I cannot be sure, but it is at least partly true.

[FOLHA] This government has made a lot of predictions that did not come true—it said it would cut inflation to 3 percent, sell state enterprises, reach an agreement on the debt.

[Eris] Well, that is a common criticism, and there is some justification for it. Now, I agree with Delfim (Netto, federal deputy for Sao Paulo State), that after many years, we finally have a government that does what it says it will. The administration said it would free up imports, and it did. It said it would let the exchange rate float, and the rate is floating. It said that it would push for free negotiation [of wages], and it did. It said that it will not change the stabilization plan, and the plan has not been changed.

[FOLHA] Delfim also said that inflation will decline in March, but that there will be no one around to celebrate.

[Eris] I am sure Minister Delfim will be here to celebrate with us (laughs). Of course, that is not what Delfim meant to say. He was saying that we will have a drastic reduction in activity. Let us wait and see. I am not convinced that it will be that bad.

[FOLHA] Inflation will drop to what level?

[Eris] I can only agree that inflation will decline.

[FOLHA] How would you rate the year that is now ending?

[Eris] I would like to look at the thing dynamically. Obviously, if someone came down from Mars and I told him about the present state of affairs in Brazil, certainly he would be surprised about the marks I would give it. Looking at 1990 as a year of transformations, I would give it a seven or eight. Let me explain why. For the first time in many years in Brazil, an expectation has been created that significant changes will be made in the right direction in many areas. Some of those changes have been frustrated, in that we expected something to happen, and it did not. Others are taking some time to come about, but certainly we are getting ready for them to happen. And others have actually occurred. There have been economic, sociological, and political transformations in Brazil—certainly it has been a year of transition. And in terms of what it promises for the future, expectations are rather high.

[FOLHA] And what grade would you give yourself?

[Eris] Well, I think that is for others to say. I am pretty hard on myself.

[FOLHA] If you had a chance to do something over, what would that be, the exchange policy, maybe?

[Eris] I would give the exchange policy a grade of ten, for several reasons. First, it has functioned perfectly as a market, and that market has consolidated itself. We still do not have an exchange futures market, but certainly the market has been consolidated. Second, it responded quickly in exactly the direction we hoped it would. When the trade balance began to fall, the economic agents made adjustments. Besides, the inflationary impact of expectations about the exchange rate has been greatly reduced. We had a maxi-devaluation during the months of October and November. If that adjustment had been made under the previous system, you would have two options. You would give a maxi of 30 percent and everyone would raise their prices to that same level. Or, if you distributed the adjustment gradually, you would leave the impression that the thing would continue. This no longer exists.

* 'Undesirable' Segments of Constitution Cited

91SM0152A Sao Paulo FOLHA DE SAO PAULO
in Portuguese 26 Dec 90 p A-5

[Article by Gilberto Dimenstein, head of FOLHA Brasilia bureau]

[Text] A confidential document prepared by the government and obtained by FOLHA DE SAO PAULO reveals the provisions of the Constitution that are considered undesirable, the ones that would have to be reviewed by the legislators. President Fernando Collor de Mello believes it is necessary to change the Constitution to ensure the "modernization" of the State and prevent budgetary shortfalls. Cited as undesirable are provisions ranging from tenure for public servants and the division of the federal taxes, to the petroleum monopoly and the 12 percent ceiling on interest rates.

The document states that at least 17 articles of the Constitution and six articles of the Transitory Provisions Act need to be amended. The first article mentioned is Article 7, which lists among the rights of urban and rural workers the "irreducibility of wages." Also to be discussed is Article 37, in which that same right is extended to public servants.

The administration wants to change Article 41; under that provision, public servants appointed as the result of a competitive examination acquire tenure after two years of service. Then there is the transitory provision that guarantees tenure to public servants with more than five years of service, whether or not they entered via the competitive examination route. The government is finding it difficult to trim the administrative apparatus, because of these two impediments.

The study indicates that the regional incentives provided for in Article 43 need attention. These incentives include such benefits as concessional interest rates on the financing of priority activities, and tax exemptions for individuals or companies. Also on the list of possible changes is the administrative autonomy of the Judiciary, especially the first paragraph [of Article 99]. Under that provision, the courts draft their budgets within the stipulated limits, jointly with the other branches of government in the Budgetary Guidelines Law (LDO).

Article 149 is one of the most controversial. The Federal Revenue Services has never resigned itself to sharing tax revenues with the states and municipalities, in the absence of any transfer of responsibilities. The idea is to redefine both the apportionment ratio and the functions.

The administration also believes that both the definition of a "Brazilian company" as established in Article 171, and the petroleum monopoly (Article 170) could be put up for discussion. In the chapter on the financial system (Article 192), the 12 percent ceiling on bank interest rates is thought to be open to criticism.

The entitlements of retired persons are considered as having serious implications for the public coffers. Cited as subject to change is the provision that guarantees retirement after 35 years of work for men and 30 years for women. Alterations are also called for in Article 206, which guarantees free education, and the issue of tuition-free access to federal universities would be debated.

Among the transitory provisions, the one concerning the Manaus Free Zone is on the list for possible amendment. The zone was maintained by the Constituent Assembly after intense lobbying from Amazonas legislators, captained by Bernardo Cabral, then the chief reporter of the Assembly, and later minister of justice.

The government's report did not specify the desired modifications. That would involve discussions with the legislative groups that support the government, and negotiations with the other political parties, leading to the development of alternatives. That is why Minister of Justice Jarbas Passarinho wants to move up the date of

the constitutional revision, since it would change the required quorum for approval of amendments.

What the Administration Wants to Change in the Constitution

Social Rights

Article 7. The following are rights of both urban and rural workers, in addition to other rights directed toward improving their lot in society: [...] VI - irreducibility of wages, except as provided in a collective convention or agreement.

Public Administration

Article 37. The direct and indirect public administration of any of the branches of government...XV - the salaries of public servants, both civilian and military, are irreducible and the remuneration shall be in accordance with the provisions of Articles 37(XI and XII), 150(II), 153(III), and 153, paragraph 2(I);

Civilian Public Servants

Article 39. The Union, the States, the Federal District, and the Municipalities shall institute within their respective spheres of authority a single legal regimen and career ladders for the employees of the direct public administration, the autonomous entities, and the public foundations. Paragraph 1. The law shall assure the employees of the direct administration equality before the law as regards salaries for identical jobs and assigned duties—or jobs and duties determined to be similar—within the same branch of government or among employees of the Executive, Legislative, and Judicial branches, except for benefits of an individual character....

Article 41. After two years of service as a permanent employee, those civil servants who were appointed as the result of a public competition shall acquire tenure. Paragraph 1. A tenured public servant shall only lose his position by virtue of a court sentence that has become final and unappealable, or through an administrative proceeding during which he is assured the right to present a full defense. Paragraph 2. In the event that the dismissal of a tenured civil servant is invalidated by court decision, the employee shall be rehired and whoever may be occupying that vacancy shall be transferred back to his original post without any right to indemnification, utilized in another position, or placed on the list of those available for duty. Paragraph 3. In the event his position is abolished or declared superfluous, a tenured public servant shall remain in a remunerated, available status until he can be appropriately used in another position.

Transitory Provisions - Article 19. Those civilian public servants of the Union, the States, the Federal District, the Municipalities, or the direct administration, the autonomous entities, and public foundations who have been serving continuously for at least five years as of the date of promulgation of the Constitution and who were

not hired in the manner regulated in Article 37 of the Constitution are hereby considered to have tenure in the public service.

Regional Incentives

Article 43. For administrative purposes, the Union may link its various actions within the same geographical and social complex in order to further their development and reduce regional inequalities. [...] Paragraph 2. Regional incentives shall include such features as the law may provide, to include the following: I. Equality of tariffs, freight charges, insurance premiums, and other cost and price items for which the government is responsible; II. Concessional interest rates for the financing of priority activities; III. Exemptions, reductions, or temporary deferment of federal taxes owed by individuals or legal entities; [...]

The Judicial Branch

Article 99. The Judicial Branch is assured of administrative and financial authority. Paragraph 1. The appellate courts shall draft their budgetary proposals within the stipulated limits, jointly with the other branches of government, in the budgetary guidelines law.

Collective Bargaining

Article 114. The labor justice system has jurisdiction to conciliate and adjudicate individual and collective labor disputes between workers and employers, including entities under international public law and of the direct and indirect public administration of the Municipalities, the Federal District, the States and the Union and, pursuant to law, other disputes resulting from the employment relationship, as well as litigation originating in the course of compliance with the system's own verdicts, including collective verdicts. Paragraph 1. When the collective bargaining process fails, the parties may select arbiters. Paragraph 2. If any of the parties rejects negotiation or arbitration, the respective unions are permitted to hear a collective dispute and the labor justice system may establish rules and conditions, the minimum conventional and legal provisions for protection of labor being respected.

Social Contributions

Article 149. The Union has exclusive authority, as a means of performing its role in the respective areas, to institute social welfare contributions, levies that intervene in the economic domain, and contributions that are in the interest of the occupational or business categories, the provision in Articles 146(III) and 150(I) and (III) being observed, and without prejudice to the provision in Article 195, paragraph 6, regarding the contributions to which the provision alludes.

Taxes

Article 151. The Union is forbidden to: I. Institute a tax that is not uniform throughout Brazilian territory or

which implies a distinction or preference as regards a State, the Federal District, or the Municipality to the detriment of another; however, tax incentives may be granted in order to promote equilibrium among the various regions of Brazil in terms of socioeconomic development; [...]

Article 159. The Union shall deliver the following: I. 47 percent of the proceeds from the collection of taxes on income and earnings of any kind and on manufactured products is to be transferred in the following manner: (a) 21.5 percent to the Participation Fund of the States and the Federal District; (b) 22.5 percent to the Participation Fund of the Municipalities; (c) 3 percent to be invested in programs to finance the productive sector in the North, Northeast, and West Central regions through their regional financial institutions and in accordance with the regional development programs, the semi-arid area of the Northeast being assured receipt of half the funds destined to that region, in the manner to be established by law; II. 10 percent of the proceeds from the collection of the tax on manufactured products goes to the States and to the Federal District, in proportion to the value of their respective exports of manufactured products. Paragraph 1. For purposes of calculating the amount to be delivered pursuant to subsection (I), the portion of the revenue from the tax on income and earnings of any kind belonging to the States, the Federal District, and the Municipalities pursuant to the provision in Articles 157(I) and 158(I) shall be excluded. Paragraph 2. No unit of the Federation may be allocated a portion greater than 20 percent of the amount referred to in subsection II of this article; any excess should be distributed among the remaining participants maintaining, as regards those participants, the apportionment criteria established therein. Paragraph 3. The States shall deliver to the respective Municipalities 25 percent of the funds that they received pursuant to subsection II, observing the criteria established in Article 158, sole paragraph (I) and (II).

Article 160. Retention of the funds allocated in this section to the States, the Federal District, and the Municipalities, including surcharges and increases relating to taxes, or the imposition of any restriction on the delivery and the use thereof, is prohibited. Sole Paragraph. This prohibition does not prevent the Union from conditioning the delivery of the funds on the payment of sums owed to it.

Transitory Provisions - Article 34. The national tax system shall enter into force beginning on... Paragraph 2 I II III [...] Paragraph 10. ...until such time as the law provided for in Article 159(I)(c)... Paragraph 11. The Development Bank of the West Central Region is hereby created, pursuant to law....

Article 35. The provision in Article 165, paragraph 7, shall be fulfilled gradually over a period not to exceed 10 years and the funds shall be distributed between the

macroeconomic regions on a basis proportional to their population, starting with the situation as it stood during the 1986-87 biennium.

Budgets

Article 167. The following are prohibited: [...] III. The consummation of credit transactions that exceed the level of the capital expenditures, except those authorized through supplementary or special credits having a specific purpose and approved by the Legislative Branch by absolute majority;

Business

Article 171. The following definitions apply: I. A Brazilian company is considered to be one that was constituted under Brazilian laws and whose head office and management are in Brazil; II. A Brazilian company with national capital is one whose actual control is permanently held, directly or indirectly, by individuals resident and domiciled in Brazil or by domestic public entities; actual control of a company is considered as the holding of the majority of its voting capital, and the exercise, both de facto and de jure, of the decision-making power to manage its activities. [...] Paragraph 2. In the acquisition of property and services, the Government shall give preferential treatment, pursuant to law, to Brazilian companies with national capital.

Monopolies

Article 177. The Union has a monopoly over the following: [...] II. Refining of domestic and foreign petroleum; III. Import and export of products and basic derivatives resulting from the activities for which provision is made in the previous subsections of this article; [...]

The Financial System *Article 192.* [...] Paragraph 2. Financial resources relating to regional programs and projects that are the responsibility of the Union shall be deposited in its regional credit institutions and invested by them. Paragraph 3. Real interest rates, included therein the commissions and any other remunerations connected with the granting of the credit, may not exceed 12 percent per annum; charging rates above this limit shall be deemed usury, a crime that is punishable, in all its modes, under such terms as the law may determine.

Retirement

Article 202. Retirement benefits pursuant to law are hereby assured [...] II. After 35 years of service for men, and after 30 years for women, or earlier if subjected to special working conditions that are injurious to health or physical safety, as defined by law; [...]

Education

Article 206. Instruction shall be administered on the basis of the following principles: [...] IV. Public instruction free of charge in official establishments; [...]

The Tax Free Zone

[*Transitory Provisions*] - *Article 40.* The Manaus Tax-Free Zone is to be maintained....

SENAR

[*Transitory Provisions*] - *Article 62.* The law shall create a National Service for Rural Apprenticeship (SENAR) along the lines of the legislation enacted relative to the National Service for Industrial Apprenticeship (SENAI) and the National Service for Commercial Apprenticeship (SENAC), without prejudice to the prerogatives of the public agencies that are acting in the area.

* S&T Investment Among Lowest Worldwide

91SM0147D Sao Paulo O ESTADO DE SAO PAULO
(Economic Section) in Portuguese 20 Dec 90 p 5

[Article by Gecy Belmonte; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] In South Korea, firms account for 70 percent of all spending on technology, compared to 14 percent in Brazil.

Brasilia—Brazil is among the countries investing the least in science and technology. Including all investments in that sector—by the federal government, government enterprises, state and municipal governments, and private firms—the total is expected to amount to \$8.4 billion, or 1.77 percent of gross domestic product (GDP) in 1995.

Although that represents almost twice the amount expected in 1991 (\$2.9 billion) [as published], it will still be about half the average for the developed countries and those developing countries whose industrial success is unquestionable, one example being South Korea.

The above data appear in a study by the Secretariat of Science and Technology which also shows how little is spent by private firms on technological training and modernization.

Again taking South Korea as an example—that being one of the Asian tigers fighting the hardest for space in the world market with its manufactured products—the discrepancy is glaring.

In South Korea, approximately 70 percent of the spending on science and technology is provided by private enterprise. In Brazil in 1991, domestic industry's contribution will be on the order of 14 percent, and it will not reach 48 percent until 1995.

Present-day investments by private enterprise in research and development in Brazil are on the order of 0.4 percent of GDP, and that is completely incompatible with the government's objectives of modernizing and restructuring the production base.

Hence the concern which has led to revision of the industrial model through the opening up of the market and the development of programs for improving quality and increasing competitiveness in the firms.

The government hopes that the possibility of foreign competition will induce domestic industry to start using more of its own funds because its very survival will depend on modernization.

Who Spends the Most on Research and Development?

Country/Year	Percentage provided by:		% of GDP
	Government	Private Sector	
South Korea, 1985*	19.0	81.0	1.78
Japan, 1986	21.3	78.7	2.78
Germany, 1987	35.8	64.2	2.71
Great Britain, 1986	39.8	60.2	2.42
Canada, 1988	44.7	55.3	1.30
United States, 1988	50.5	49.5	2.71
France, 1987	52.9	47.1	2.33
Italy, 1988	54.9	45.1	1.32
Brazil, 1985**	94.0	6.0	0.70

Source: "Main Science and Technology Indicators," OECD, Paris, second half of 1988

* South Korean Ministry of Science and Technology

** COOE [expansion not given], APJ [expansion not given], and CNPQ [National Council for Scientific and Technological Development], 1985. The data for science in Brazil refer to science and technology, not research and development.

Few With Master's Degrees

The neglect of science and technology has wound up harming all areas. According to the 1986-1990 Plan of Goals in the Training of Human Resources as drawn up by the Commission for the Coordination of Advanced Training for Higher-Level Personnel (Capes) and the National Council for Scientific and Technological Development (CNPQ), Brazil needs to train about 400,000 new graduates holding master's degrees and doctorates by the end of the century in order to have a number of scientists close to that in the developed countries.

While our country has about 400 researchers for every 1 million inhabitants, South Korea has 2,000 and Japan has 6,000, according to government data. And there is another problem: the average age of those holding doctorates earned in Brazil is around 40 years, something which significantly reduces the potential return on the investment in training.

The experts at the Secretariat of Science and Technology also draw attention to the need for the government to see that science and technology policy plays its proper role in the implementation of social policies.

They point out that about 70 million inhabitants—48 percent of the country's total population—live without any access to health care, education, transportation, housing, basic sanitation, or urban services.

Technological backwardness has harmful effects on the population, especially in such important areas as health. Data from the World Health Organization as quoted by the government attest to that.

About 5 million blood transfusions are made in Brazil every year, the great majority of them with no supervision or quality control. Domestic industry is in its beginning stages when it comes to producing and monitoring inputs for that area.

In view of that situation, the government's efforts and the promise to increase science and technology funds by 15 percent per year are almost insignificant, although that goal is an important indicator.

The government's own experts admit that the social debt is the greatest challenge on the path that the country will have to follow to achieve modernity and join the group of nations considered developed.

* Public Polled on Collor, Government, Economy

91SM0147A Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 19 Dec 90 p 4

[First paragraph is O ESTADO DE SAO PAULO introduction]

[Text] A poll indicates that 58 percent of the population has confidence in the president's performance.

Rio de Janeiro—Nine months after taking office, President Fernando Collor retains the population's confidence. According to a poll by the IBOPE [Brazilian Public Opinion and Statistics Institute] that was published in Rio de Janeiro yesterday, 58 percent of the population has confidence in the president, compared to 38 percent who do not. As for the president's performance in the administration, 45 percent consider it average, 22 percent say it is good, and 8 percent call it very good, compared to 9 percent saying it is

bad and 15 percent calling it very bad. The poll was conducted throughout the country between 3 and 10 December, with 3,650 individuals being interviewed.

Compared to an earlier poll, the IBOPE's new figures show that confidence in the president has dropped slightly. In September, Collor had the confidence of 60 percent of the population, compared to 58 percent now. Compared to data collected by the IBOPE in May—two months after the Collor Plan was enacted—the drop is greater: in that month, the president had the support of 74 percent of Brazilians.

The poll published by the IBOPE yesterday also shows that the majority in the country approves of the current economic policy (with 36 percent being in favor), although a great many of those interviewed (35 percent) do not have an opinion on the subject. The data also indicate that a majority of Brazilians favors payment of the foreign debt and supports the right to strike except in the case of activities considered essential—medical care, for example. In comparative terms, only the church enjoys more confidence than the president today in Brazil, while politicians inspire the least confidence in the population: only 13 percent of those interviewed say they trust politicians.

The administration's economic policy found its greatest level of support among interviewees in the Northeast. Of the total number of people polled in the Northeast, 39 percent say that the plan is on the right track, and only 19 percent believe that the path chosen is the wrong one. Those interviewed in the country's South Region are divided: 35 percent say the economic policy is moving in the right direction, compared to 31 percent who say it is not. Also concentrated in the Northeast are those feeling that the administration which took office in March is "very good." The Southeast holds the most pessimistic views of the administration. Of the total interviewed in that region, 17 percent say that the administration headed by President Fernando Collor is "very bad." Confidence in the president is also higher in the Northeast. Of the total interviewed in that region, 66 percent say they trust Collor, and only 31 percent say they do not. The confidence placed in the president is concentrated in the interior, with 62 percent of those interviewed in the cities of the interior trusting him and 34 percent not trusting him.

The IBOPE poll also sought to ascertain the population's opinion of various proposals for handling the foreign debt that are now under discussion. According to the sample, the proposal with the most support is the one calling for the debt to be paid with surplus funds in the National Treasury. Of those interviewed, 37 percent chose that option. Only 16 percent said we should not pay our foreign creditors, and 10 percent felt that the country should suspend payment now and resume it later. A good many—25 percent—would prefer to see the country pay the debt in the amounts agreed upon with the creditors.

The IBOPE found that 36 percent of those polled oppose strikes under any circumstances, compared to 30 percent who say they are in favor. Another 28 percent are in favor of strikes, but not in services considered essential.

Poll Results (in percentages)

Questions and answers		Percent
Confidence in president: Do you trust President Collor or not?		
Yes		58
No		38
Don't know/no answer		3
Evaluation of administration: How do you rate President Collor's administration?		
Very good		8
Good		22
Average		45
Bad		9
Very bad		15
Don't know/no answer		2
Direction of economy: How would you rate the current economic policy?		
On the right path		36
On the wrong path		25
No definite opinion		35
No answer		3
Foreign debt: What is the best proposal for handling the foreign debt?		
Stop paying and resume payments later		10
Pay no more on the debt		16
Continue paying the debt with funds left over at the end of the period		37
Continue paying amounts agreed on with creditors		25
None of the above		1
Don't know		9
No answer		2
Strikes: What is your opinion of strikes?		
In favor of strikes in any type of activity		30
In favor of strikes except in essential services		28
Opposed to strikes in any type of activity		36
Don't know/no opinion		5
Confidence in institutions:	Confidence	No confidence
Church	78	18
Radio	58	35
President Collor	58	38
Election polling institutes	55	33
Newspapers	54	37
Military	52	39
United Federation of Workers (CUT)	47	33
Television	43	49
General Federation of Workers (CGT)	39	37

Municipal governments	38	55
Governors	26	66
Businessmen	25	65
Bankers	23	65
Political parties	17	77
Politicians	13	82

Number of interviews: 3,650; date of poll: 3 to 10 December 1990

Source: IBOPE

Interview

Collor considers that his administration has managed to accomplish "an extraordinary task" in reducing the monthly inflation rate from 90 percent to 16 percent and turning the expectation of a deficit of 9 percent of GDP into a predicted surplus of 0.5 percent of GDP. "That is an adjustment of about \$50 billion," he told the Madrid newspaper ABC.

* Informatics Reserve Market Loses Advantages

91SM0147B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 20 Dec 90 p 6

[Article by Gecy Belmonte; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Manufacturers protected by legislation are losing their incentives and will have to lower their prices.

Brasilia—An arrangement between the administration's economic area and private organizations favoring an opening up of the informatics market enabled the Ministry of Economy to emerge the winner at a meeting held the day before yesterday by the National Council for Informatics and Automation (Conin). Manufacturers of products protected by the reserve market through October 1992 will not only have to lower their prices to meet the threat from imports but will also lose the guarantee of tax incentives.

The strategy for defeating the Brazilian Association of Computer and Computer Peripherals Manufacturers (Abicomp) and the Secretariat of Science and Technology—both of which favor less rigid controls for firms benefiting from the reserve market—was decided on at a meeting at the Secretariat of Economy (shortly before the Conin meeting) with the Association of Informatics Users (Sucesu), the National Confederation of Industries (CNI), the Brazilian Association of Software Firms, and the Brazilian Association of Informatics Law.

At that meeting, it was decided that the first step would be to reverse Conin's agenda so that the program for reducing prices and improving quality—considered essential by the Ministry of Economy—would be examined before the Second Planin [Informatics and Automation Plan].

That arrangement in the economic area took the secretary of science and technology, Jose Goldemberg, who

heads Conin, by surprise. To avoid a direct confrontation within the administration itself, the reversal of the agenda was suggested by the CNI. Goldemberg tried to stick to the original proposal, which called for analyzing Planin first, but he was defeated because the Ministry of Economy, with its three votes plus the support of civilian organizations opposed to the reserve market, also had the two votes of the Ministries of Infrastructure and Education.

The economic area's fear was that if Planin and the 84 amendments proposed by the 20 council members were analyzed first, there would not be time to approve the price reduction program. If that happened, elimination of the reserve market would be jeopardized, thus harming the industrial policy itself.

The approach decided on at the Ministry of Economy that morning won out, and with a majority of the 20 votes, it was possible to make the desired changes in the Second Planin, which the National Congress will submit to the executive branch within the next few days. Among the changes in question is one suspending the tax incentives retained by the Informatics Law and another abolishing the investment guarantee for the firms. The availability of the 66.2 billion cruzeiros (at May prices) provided for the next three years will depend to a very large extent on how much cash the BNDES [National Bank for Economic and Social Development] has.

Although they must still be approved by the National Congress, Conin's decisions greatly irritated Abicomp's representative, Carlos Rocha. He left the meeting before it ended. "The administration has made it clear that informatics has no priority whatever. Without incentives and without financing, I have nothing more to do here," he said, giving vent to his feelings.

Chief Changes in Second Planin

Brasilia—As a result of the changes approved by Conin, the scenario for informatics becomes the following:

- Price limits—to take effect in July 1991—were established to enable the firms to retain their reserve market. Whenever the domestic price, excluding the IPI (tax on manufactured products) and the ICMS [expansion not given], becomes 2.8 times higher than the value of the foreign product at the port of embarkation, imports will be permitted automatically. That figure will be in effect during the second half of 1991. From January through June 1992, it will drop to 2.64 times, and from July to October 1992, it will be 2.47 times. After that, if there are no changes, all imports will be deregulated.
- Price control will be exercised through a plan submitted by the firms and on the international market. The firms will have to publish the name of the protected product, its unit price both inside and outside the country, and a forecast of price reductions.
- Whenever the price of the protected product reaches

the limit set by Conin, imports will be authorized immediately.

- Exclusion of the product from the reserve market will require approval by Conin.
- The list of products included in the reserve market will be evaluated by Conin whenever the latter considers it appropriate to do so.
- Effective in January 1991, products which are not on the list of 47 items protected by the reserve market may be freely imported.
- The tax incentives granted by Law No. 7,232 (the Informatics Law), meaning, basically, exemption from the income tax and exemption from the tax on manufactured products (IPI), are suspended until the Ministry of Economy formulates new rules for granting those exemptions. For that purpose, a bill must be submitted to the National Congress.
- The rate of import tax on all informatics products until 1994 will be determined at the start of January.
- Funds for investment during the coming 3 years—in which the Second Planin will be in effect—will come basically from the BNDES, which will provide 70 percent of those funds. The federal government will contribute 20.8 percent, and the Funding Authority for Studies and Projects (Finep) will provide 8.2 percent.
- The Second Planin, lasting three years and with the amendments made to bring it into line with the industrial policy, must still be approved by the National Congress.

Organizations Decide To Fight Measure

Brasilia—The changes obtained by the Ministry of Economy at the Conin meeting represent only the first round in a battle whose outcome will actually be decided by the National Congress. In alliance with the Association of Data Processing Professionals (APPD), Abicomp is promising to play hard ball to overthrow the economic area's measures suspending tax incentives and eliminating the investment guarantee for its sector. For its part, the government is also promising to do its utmost to get its proposals approved.

But the computer industry has already lost a few points in its quarrel with the Ministry of Economy. The Second Planin will not be examined until the new National Congress convenes, and that will require greater coordination with congressmen who are not yet familiar with the sector's difficulties. Abicomp wanted Second Planin to be approved at least 6 months ago. But successive maneuvers by the economic area at Conin meetings have ended up postponing the decision until next year.

The biggest reaction came from Abicomp. Carlos Rocha, who represents that association on Conin and is also director-president of the TDA [expansion not given] Group, said that the decisions made the day before yesterday ignore the importance of the domestic informatics industry completely. According to him, the BNDES, which has now become the sector's chief financial agent, cannot guarantee funds because it has no

appropriations from the federal budget. The government, he says, wants to see a very radical change in only 6 months and is not considering the difficulties being caused by its own economic policy, which is not succeeding in reducing inflation. In Abicomp's view, it will be impossible to improve and expand the product line at today's costs.

* Remote-Sensing Satellite With PRC Outlined

91P60092 Beijing SHIJIE DAODAN YU HANGTIAN [MISSILES & SPACECRAFT] in Chinese No 2, Feb 90 pp 5-6, 11

[Article by Fu Wenlong (0102 2429 7893): "Current Status of, Future Prospects for Sino-Brazilian Space Cooperation"]

[Summary] The Sino-Brazilian project to develop two China-Brazil Earth Resources Satellites (CBERS) is a joint undertaking of CAST (Chinese Academy of Space Technology) and Brazil's INPE (National Institute for Space Research). Of the US\$150 million joint funding, China is responsible for 70 percent and Brazil for 30 percent; the total investment figure includes funds for the two launch vehicles (Long March 4's, manufactured by the Shanghai Astronautics Bureau) and satellite launch services, as well as for the two remote-sensing CBERS themselves.

CBERS-1 and CBERS-2 will be launched into an 800-km-altitude sun-synchronous orbit. Basic parameters of the satellites are as follows:

- Size: 2m x 1.8m x 2.2m
- Weight: 1400kg
- Stabilization method: 3-axis stabilized
- Total power (minimum output): 985 watts
- Radio frequencies: UHF/VHF, S band

Each satellite will carry aboard two imaging devices: (1) a CCD [charge-coupled device] camera, sensitive in the 0.51-0.89-nanometer-wavelength visible range, with five windows in all, a ground resolution of 20 meters, and a side-looking ability; and (2) an infrared multi-spectral-scanner camera operating in the 0.5-12.5-nanometer wavelength range, with four windows in all and a ground resolution of 80 meters.

The launch of CBERS-1 is planned for mid-1993.

* Funcex Projects 1991 Import-Export Figures

91SM0147E Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 21 Dec 90 p 2

[Article by Suely Caldas; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Imports will probably be the same as in 1990, and exports may be \$3 billion higher.

Rio de Janeiro—After the Collor administration's first few months in office, in which the behavior of foreign

trade was unusual due to the beginnings of an opening up following 15 years of tight controls, 1991 promises to be a year of adaptation. The balance of exports and imports will depend on the exchange rate—now a closer reflection of reality than it was a few months ago—and on the restoration of export credits, the recession that is occurring both here and abroad, and the liberalization policy. Even so—and regardless of how much the government refuses to set goals—there are those who are coming up with projections for the coming year. According to the Central Foundation for Foreign Trade Studies (Funcex), the trade balance may rise to about \$13 billion as a result of exports totaling \$34.3 billion and imports totaling \$21.3 billion.

According to Pedro da Motta Veiga, director general of Funcex, exports will be stimulated by the availability of credit at subsidized interest rates, making it possible to sell machinery and other goods that were not exported this year [1990] precisely because of the lack of financing. Another positive factor is the belief, currently widespread among businessmen, that the government will no longer allow the exchange rate to get as far out of line as it did this past year. The economic recession is also helping because it puts pressure on the firms to look to foreign markets to compensate for slower sales inside the country.

But there are also negative factors which may work against the country's sales potential. Worsening recession in the developed countries (Europe, the United States, and Japan) will certainly lead those purchasers, who absorb 70 percent of Brazil's exports, to save their foreign exchange by purchasing less abroad. Moreover, the Befiex [Tax Benefits for Special Export Programs] program (which grants generous incentives to multinationals pledging themselves to an export goal) is coming to an end for a number of firms, especially automobile assemblers, that reduce their sales prices based on what they receive from Befiex. As far as imports are concerned, Funcex maintains that the economic recession will be enough to hold them in check, but since the government has been implementing a program to open up to foreign trade by reducing import tariffs, the foreign exchange spent on foreign purchases will be approximately the same as this year [1990]—that is, \$21.3 billion. However, there are two uncertain factors at the moment which may affect the trade balance. The first is the outcome of the crisis in the Persian Gulf: without a peace agreement with Saddam Husayn, the price of petroleum may rise sharply again. The second is the volume of upcoming harvests. According to the first surveys by the IBGE [Brazilian Institute of Geography and Statistics], the production of soybeans, which are one of our chief sources of foreign exchange, will probably be lower than in 1990. Developments in the price of products such as coffee, sugar, tobacco, and orange juice are also uncertain. In addition, it is not out of the question that some corn and rice will be imported. Wheat imports are a certainty because of the smaller crop this year [1990].

The final figures on our foreign trade in 1990 are as good as known. Foreign exchange earnings from exports will probably add up to \$31.5 billion according to the projection by Funcex, while imports are expected to total \$21.3 billion, resulting in a trade balance surplus of \$10.2 billion. In the opinion of Pedro da Motta Veiga, that performance was especially good considering the avalanche of changes occurring in the sector, particularly as regards imports.

* Agricultural Production Continues Decline

91SM0147C Sao Paulo O ESTADO DE SAO PAULO
(Economic Section) in Portuguese 20 Dec 90 p 14

[Article by Jo Galazzi; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Last month's harvest was 21 percent below that for November 1990 [as published: presumably 1989 intended].

Rio de Janeiro—The results of the Systematic Agricultural Production Survey for November, announced yesterday by the Brazilian Institute of Geography and Statistics (IBGE), indicate a worsening of the country's economic situation, chiefly as regards the fight against inflation. Agricultural products are an important item in the cost of living for Brazilians. An economist at the Pontifical Catholic University (PUC), Winston Fritsch, says that the government's success in defeating inflation depends on the performance of petroleum prices and agricultural prices. The survey's estimate for November is that total production amounted to 56.6 million metric tons of cereals, legumes, and oleaginous plants, a volume 21.5 percent below that for the same month last year.

According to figures worked out by the IBGE in February—they are not very different from those for October—22 of the 41 products covered by the survey show a drop in production in comparison with the same period last year. Among them are some basic products found on people's tables, examples being rice, which is down by 32.63 percent (and which has been putting pressure on the inflation-measuring indexes over the past two months), second-harvest corn (58.26 percent), first-harvest corn (18.47 percent), third-harvest potatoes (17.82 percent), wheat (38.36 percent), and soybeans (17.06 percent).

The acreage devoted to 24 crops also shrank. Corn acreage for the first and second harvests declined by 10.35 and 37.86 percent respectively, while rice acreage was down by 25 percent and wheat acreage declined by 18.45 percent. In November, the IBGE also produced its second forecast of planting intentions and of areas already planted for the 1991 harvest. According to that survey, which covers 13 products in the Center-South and Rondonia, the area already planted or to be planted in 1991 will shrink by 4.88 percent. Experts point out, however, that the difference drops to 2.74 percent when compared to the area harvested this year.

Indications are that the reduction in planted area will involve rice (-6.55 percent), soybeans (-16.87 percent), first-harvest potatoes (-2.15 percent), onions (-2.90 percent), castor beans (-4.86 percent), tomatoes (-1.17 percent), and sugarcane (-0.61 percent). Increases were detected in the case of first-harvest corn (6.49 percent), tobacco (4.72 percent), upland cotton (5.62 percent), first-harvest peanuts (2.82 percent), manioc (1.40 percent), and first-harvest beans (0.33 percent). The IBGE will make its final forecast for 1991 in January.

The IBGE also announced the results of the Monthly Survey of Livestock Slaughtering and Milk Production. In October, there were increases in the production of pork (17.3 percent), poultry (11.4 percent), and beef (2.3 percent).

Chile

U.S. Bank Attacked To Protest Gulf Involvement

PY3001170891 Santiago Radio Chilena Network
in Spanish 1600 GMT 30 Jan 91

[Text] An incendiary bomb has been thrown by unidentified individuals at a Chase Manhattan bank building, causing some damage.

According to police reports, unidentified individuals threw an incendiary bomb containing sulphuric acid and potassium chloride at the facade of the bank branch at 46 Orrego Luco, in La Providencia neighborhood.

The bomb causes limited damage to the wooden partitions and window panes on the first and second floor.

Three fire department units appeared on the scene and managed to put the fire out at approximately 0100.

This is the eighth attack against U.S. interests in Chile and, according to those responsible, they were perpetrated to protest the U.S. participation in the Persian Gulf war.

Granting of Medical Aid to Gulf Region Debated

PY3001125891 Santiago Radio Nacional de Chile
Network in Spanish 1000 GMT 30 Jan 91

[Text] The Chilean Government is contemplating offering the services of physicians and paramedics should international organizations request help for medical assistance in the Persian Gulf area.

This information was disclosed by Health Minister Jorge Jimenez, at La Moneda Palace following a meeting with President Patricio Aylwin to discuss this ministry's projects for the current year.

When asked whether Chile is able to provide humanitarian assistance at the theater of war, Minister Jimenez said that a relatively small group of some 20 to 40 highly specialized professionals could be sent for a limited period of time.

The minister was asked whether there have been any volunteers.

[Begin Jimenez recording] There is the willingness of the Chilean Government and of those people, quite a number of them, who have come to offer their services. But this is all. [end recording]

Minister Jimenez then categorically denied rumors on his resignation. He said that there are always idle people who spend their time spreading groundless rumors.

Conservation Measure Affecting Traffic Lifted

PY3101023891 Santiago Radio Chilena Network
in Spanish 1600 GMT 30 Jan 91

[Excerpt] Planning and Coordination Minister Sergio Molinas, accompanied by Transportation Minister German Correa and National Energy Commission President Jaime Toha, has announced that restrictions on traffic flow throughout the country will be lifted.

[Begin Molinas recording] The committee of ministers has decided that the development of the conflict and the release of U.S. strategic reserves are stabilizing oil prices, a situation that could last for a few more weeks at least. The committee of ministers therefore deems it an opportune time to lift the precautionary measure restricting traffic flow in all cities with more than 10,000 inhabitants that was implemented as a means of reducing fuel consumption. [end recording]

However, Minister Molinas warned that if the conflict in the Persian Gulf and oil prices undergo significant changes, the measure will be reimplemented to the extent and manner that the government deems convenient. [passage omitted]

Colombia

Extraditables Order Execution; To Suspend Attacks

PA3001235891 Paris AFP in Spanish 2220 GMT
30 Jan 91

[Text] Bogota, 30 Jan (AFP)—"The Extraditables"—the armed branch of the Medellin Drug Cartel—announced today in a confusing communique that they have ordered the "execution" of one of their hostages in Bogota. However, they said they did not know whether she had been released or had died.

The Extraditables also said that "given several appeals made by various personalities, we have decided to reconsider the declaration for an all-out war and will refrain from carrying out military actions for the time being." They added: "We will respect the lives of the hostages who are still in our custody."

In a communique delivered to the Medellin media, the organization expressed that as a reprisal for what it termed "abuses" by the police against its members, it had ordered the elimination of Marina Montoya, sister

of a former secretary general of the Presidency of the Republic. Marina was kidnapped on 19 September, 1991.

However, the Extraditables explained that "for reasons of confidentiality and communication problems, we do not have current information as to whether she was released or executed."

The communique stated: "If she was executed, we do not understand the reasons why police have not yet reported finding her body. If she was released, it is up to her relatives to make the announcement."

Meanwhile, "the Extraditables" said that the police are responsible for the death of journalist Diana Turbay, which occurred during a rescue operation launched by the Public Force on 25 January.

The Extraditables cited as evidence of the aforementioned statement that the journalist had been killed outside of the house where she was being held, together with photographer Richard Becerra, who was unharmed. Meanwhile, the Public Force reported that Turbay had died after being shot in the back by her kidnappers.

"The hostages were granted their freedom, and they were ordered to go to the Medellin-Bogota Highway," said the communique. It added that three innocent peasants—whom the authorities described as hired assassins—had been killed in the police action.

The hostages, who have been in the custody of the clandestine group for five months, are Marina Montoya; journalist Francisco Santos, editor of EL TIEMPO newspaper; and Maruja Pachon and Beatriz Villamizar, who are relatives of the late slain political leaders Luis Carlos Galan.

Justice Minister Details New Extradition Policy

PA3101031491 Bogota Inravisión Television
Cadena 1 in Spanish 0003 GMT 31 Jan 91

[Italicized passages are recorded]

[Text] Justice Minister Jaime Giraldo Angel held a press conference today to clear up any doubts on the recently issued Decree 303. The minister stated, among other things, that the government's policy, which has ensured the surrender of the Extraditables, will be presented to the constituent assembly so that it can be ruled on. The creator of the peace laws—as he has a habit of doing—immediately called a press conference to clear up any doubts about Decree 303.

[Giraldo] *These people must turn themselves in to a judge and confess. Then they will be sentenced and serve their time in jail.*

But Minister Giraldo also disclosed the government's concern.

[Giraldo] *There have been definite problems with gathering evidence from abroad to be used in the trial proceedings in Colombia.*

The minister also disclosed the benefits of the new Decree 303.

[Giraldo] *If the person confesses to committing a drug trafficking crime here in Colombia and does not confess to committing any crimes abroad, then the sole fact that he has confessed to drug trafficking guards him against extradition, even for crimes the person has not confessed to.*

The minister was very adamant when he said there would be no reduced jail sentences for crimes not confessed to and that more decrees would be issued. And, at this point, he delivered more news.

[Giraldo] *This statute for the defense of justice already has many matters related to the penitentiary system that the government is going to present to the constituent assembly.*

The process, which started on 5 September 1990 with Decree 2047, whereby legal benefits were granted to those who surrendered and confessed, has been undergoing changes until Decree 303 was issued by the government last night. Some aspects of Decree 2047 have changed, but the substance of the government's policy prevails; that is, all Colombians must abide by the law.

When Minister Giraldo made Decree 2047 public, the Extraditables' lawyers pointed out that Article 12 was not broad enough.

Article 12 says the following: There will be no extradition, unless evidence obtained distorts the trial proceedings or alters it substantially.

According to the Extraditables, there was a technicality which allowed extradition.

Decree 3030 [number as heard] takes this into account. Decree 3030 [number as heard] says the following: There will be no extradition during the time of detention for any crime, regardless of whether one has confessed to it or not, unless the accused escapes or attempts to escape.

The Extraditables were not completely happy with this new formula either because it also allowed for the possibility of extradition.

Now, Decree 303 closes all doors to the possibility of extradition.

Decree 303 says the following: There will be no extradition for any crime, confessed or not, as long as the jail term is served.

Decree 2047 did not totally please the Extraditables either, because the benefits were reserved for those who had committed their crimes before that decree had been issued, that is 5 September 1990.

This same condition prevailed in Decree 303. The benefits were only for crimes committed before 5 September 1990.

Decree 303 now eliminates this date and grants the benefits to crimes committed before the surrender of the individual.

For example, if the kidnappers of the reporters or the murderers of Mrs. Diana Turbay turn themselves in, they will be favored by the reduced jail term and the non-extradition. Besides, Decree 303 speeds up the collection of evidence locally and abroad and expedites the legal process for those who turn themselves in of their own free will.

Also, Decree 303, guards the government's objective—that is, making all Colombians abide by the law.

Ecuador

Tripartite Talks Suspended; Workers Protest

Mobilization Pledge Reaffirmed

PA3001142991 Quito Radio Quito in Spanish
2300 GMT 25 Jan 91

[Text] The tripartite talks among the government, the workers, and representatives of production sectors have been broken off by the leaders of the Sole Workers Front [FUT], who believe that implementation of the new economic measures seek to provoke the Ecuadoran people.

FUT representative Edgar Ponce stated that the regime has just declared war on the Ecuadoran people. He warned that they would not just stand by and do nothing in the face of this IMF policy and that over the next few days they will mobilize throughout the country.

[Begin Ponce recording, in progress] ...all these months, but has worsened in December. There was talk of wage and salary increases, but the prices for all basic staples increased in December. All basic staples are now more expensive. They talked about wage and salary increases, but what they have done is put money one pocket by taking more out of the other. This means that they have condemned the Ecuadoran people to starvation.

The FUT and we hope that the entire union movement will be able to carry out actions and mobilizations that will make this government, the National Congress, and all the other agencies understand that we will not allow certain measures to drive us into poverty. [end recording]

Borja: Strike Will Fail

PA3101043091 Quito Radio Quito in Spanish
2301 GMT 30 Jan 91

[Text] President Rodrigo Borja has predicted that the workers' strike scheduled for 6 February will be a failure

because two or three labor leaders cannot have the support of the working class and the people in general. He said that what the country currently needs is work and not actions of this kind.

As for the violent demonstrations that have taken place in the last few days to protest the economic measures, the president said petty politicians are trying to create chaos in the country.

[Begin Borja recording] I do not know who in his right mind—now that we need to work, produce, and distribute what is produced—would come along with two or three men to promote a strike. Could you tell me what is solved by this? Will production be greater if there is a strike? Will strikes help the country progress? What is achieved by striking? Absolutely nothing, but the obstruction of the country's progress. I am convinced that the strike will be a failure because labor groups—who are very aware of what is going on, who are not a flock of sheep, and who have clear minds and know the nation's reality—will not heed the orders given by two or three leaders, who have managed to get into labor union bureaucracy and have stayed there for decades without a change of leadership, without being replaced, and without consulting the rank and file about whether they should stay there or leave.

Why do they not hold elections? Just as the president is elected, just as deputies get their credentials to reach congress by participating in elections, just as student leaders are elected, why do these gentlemen not hold universal and direct elections with the participation of all Ecuadoran workers. This way they will have legitimacy. This way there will be no labor leader embedded in the labor union bureaucracies for decades without giving an opportunity to anyone else, without allowing anyone else to climb the ladder, and by obstructing the road for everyone else. Why do they not call for universal elections with the participation of all Ecuadoran workers so that they can decide who the labor union leaders of our country should be. When labor union leaders are the result of overall elections, then they will have the possibility of exercising their leadership and having their decisions heeded by the country's workers. However, as things are now, why do workers have to obey a group of gentlemen, which they did not elect? [end recording]

Gomez Deems Strike Illegal

PA3101042191 Quito Radio Quito in Spanish
2311 GMT 30 Jan 91

[Text] In statements to the Guayaquil media, Labor Minister Roberto Gomez has said the FUT [Sole Workers Front] strike, called for 6 February, constitutes an illegal and incorrect measure. What the country needs the most is work. The government official insisted on solving the problem and he said the government is open to dialogue.

[Begin recording] [Gomez] This will not solve the problem because the country's basic problem is with

production, which worsens the problem of hoarding and inflation, therefore all strikes, especially if they are illegal, are wrong.

[Unidentified reporter] [Question indistinct]?

[Gomez] The dialogue is open. I reiterate the call for a dialogue. Instead of throwing rocks and instead of promoting strikes, they should contribute with ideas, they should be prudent. Measures that contribute to the solution of the problem should be taken, not measures aimed at worsening the problem. [end recording]

Government Suspends High School Classes in Quito

PA3101030191 Quito Radio Quito in Spanish
2316 GMT 30 Jan 91

[Excerpt] The national government, through Education Minister Alfredo Vera, has ordered the indefinite suspension of classes in all high schools in Quito as a precautionary measure aimed at guaranteeing peace. [passage omitted]

Peru

Italian Embassy, U.S. Cultural Center Bombed

PY3101125591 Madrid EFE in Spanish 0334 GMT
31 Jan 91

[Excerpt] Lima, 30 Jan (EFE)—The National Police have reported that alleged terrorists used dynamite today to attack the Italian Embassy, the Peruvian-U.S. Cultural Institute, and a monument honoring former U.S. President John F. Kennedy. The explosions caused damage but no injuries.

Eyewitnesses told police that the alleged guerrillas, who were operating out of vehicles, placed the explosives and then fled, shouting criticism against the U.S. presence in the war against Iraq and support for Iraqi President Saddam Husayn.

The explosives destroyed doors and windows in the front of the Italian Embassy and the institute. The Kennedy monument was dislodged from its pedestal and damaged. [passage omitted]

Car Bomb Explodes in Front of Lima Restaurant

PY3101025091 Madrid EFE in Spanish 1616 GMT
30 Jan 91

[Excerpts] Lima, 30 Jan (EFE)—Last night, a car bomb—the third one this month—exploded in Lima in front of a posh restaurant, injuring three people and causing substantial property damage, as political pressure in the country mounted for the interior and defense ministers to resign.

The car bomb was parked around midnight in the parking lot of the El Pabellon de Caza restaurant in the

posh La Molina District; two porters for the restaurant and the administrator of a neighboring discotheque were injured.

Meanwhile, the political opposition has begun to accuse President Alberto Fujimori's government of lacking concrete plans for the struggle against subversion. Both Defense Minister General Jorge Torres Aciego and Interior Minister General Adolfo Alvarado Fournier have begun to be questioned by the opposition.

During their appearance before the Senate Defense Committee (Torres) and the Permanent Congressional Committee (Alvarado), the two ministers did not raise any solutions and, according to some congressmen who attended the closed meetings, Alvarado just offered "excuses." [passage omitted]

Elsewhere, a press report today states that Victor de la Torre, chairman of the Cementos Lima enterprise, who was apparently captured by the Tupac Amaru Revolutionary Movement (MRTA), was released after being held for 137 days. No one knows how much ransom was paid.

Venezuela

Perez on OPEC Role, Consequences of Gulf War

PA3001165091 Caracas Venezolana de Television
Canal 8 in Spanish 1557 GMT 30 Jan 91

[Text] President Carlos Andres Perez has reiterated his support for OPEC and has expressed confidence that the 13 member countries will be able to meet soon. Perez stated that Venezuela's presence in OPEC does not at all harm the national oil industry. Quite the contrary, he said, this presence is one of the factors that have invigorated and reinforced this industry. Referring to the war in the Persian Gulf and its repercussions on all nations of the world, Perez expressed opposition to the armed conflict and affirmed that the peace efforts will continue until Kuwait's sovereignty is restored.

[Begin Perez recording] Every war disturbs the economy. The war being waged in the area where a large portion of the world's oil supply is produced dangerously disturbs the world economy. This war could affect all countries and eventually aggravate the crisis in Latin America. For instance, countries without oil that are making a great effort to make the necessary adjustments to amortize their foreign debt will now have to contend with prices two or three times higher. Their efforts will be seriously affected by this new reality of a basic product such as oil. This is how all countries could be affected. There is also the danger that this energy crisis might cause a recession in the industrialized countries. Such a recession would undoubtedly be reflected on all countries. Although we should prepare ourselves for the worst, we should not be pessimistic. This is why Venezuela has created a macroeconomic destabilization fund. Let us hope that the consequences of this war will not be too serious. Let us

work hard so that a solution to the war can be found quickly and the situation can be restored to normal. [end recording]

Minister on Willingness To Send Troops to Gulf

PA3001173991 Mexico City NOTIMEX in Spanish
1645 GMT 30 Jan 91

[Text] Caracas, 30 Jan (NOTIMEX)—Defense Minister Vice Admiral Hector Jurado Toro has stated that Venezuela would be willing to send troops to the Middle East if the UN requests that it do so.

In an interview with the newspaper EL UNIVERSAL, the minister noted that Venezuelan officers have participated in peace missions in Nicaragua, Honduras, and Haiti, at the UN's request.

Jurado Toro said that, so far, no request in this regard has been made. He insisted that Venezuelans would participate only as members of a UN peace mission.

The minister said that the war in the Middle East has obliged the Armed Forces to adopt special measures to protect the country, particularly its oil installations and state enterprises.

Guyana

Opposition Parties on Parliament Extension

FL2901172091 Bridgetown CANA in English
1634 GMT 29 Jan 91

[Text] Georgetown, Guyana, Jan 29, CANA—Seven Guyana opposition parties have criticised a government decision to prolong the life of Parliament while the country prepares for a general election.

"It is our common view that the present (Constitution Amendment Bill 1991) allows for a virtually open-ended extension of the life of Parliament and government even beyond September 30, 1991," the parties' joint statement said.

The Parliamentary extension, initially for two months and renewable up to September 1991, was approved by the government Parliamentary majority this month amidst protests by the three opposition parties represented in Parliament. The four-party Patriotic Coalition for Democracy (PCD), and three other opposition parties, signed the joint declaration against the extension, and plan to send copies to President Desmond Hoyte, foreign embassies here, and a number of international organisations.

This Parliament was to have ended in February 1991, but was extended to allow time for compilation of a voters list by house-to-house enumeration. Opposition parties had pressed for house-to-house enumeration, but said it could have been done without an extension.

The leftist opposition People's Progressive Party (PPP), which signed the declaration, says the government is trying to buy time before calling an election. Elections must be called within three months of the expiration of Parliament. Opposition parties speculate that the government could be thinking of a year-end poll.

The seven parties signing the declaration are the PPP, the Democratic Labour Movement, United Republican Party, Working People's Alliance, National Republican Party, National Democratic Front, and the United Force.

This is the largest number of opposition parties to take a united stand on an issue here in recent times.

IDB Approves Electricity System Overhaul Loan

FL2801202391 Bridgetown CANA in English
1559 GMT 28 Jan 91

[Text] Georgetown, Guyana, Jan 28, CANA—The Inter-American Development Bank (IDB) has announced the approval of a supplementary loan of U.S. \$15.5 million to complete the rehabilitation of Guyana's rundown electricity generating system.

The loan approval came amid continuing negotiations between the Guyana Government and Leucadia Power Company of the United States over the privatisation of the state-owned Guyana Electricity Corporation (GEC).

The loan will allow the GEC to complete the rehabilitation project started over five years ago. The project fell behind schedule by two years as a result of management problems and cost overruns. A previous IDB loan of nearly U.S. \$14 million was granted a few years ago to overhaul three major power stations here. The project is expected to be completed by next year and could cost an estimated U.S. \$17.3 million.

A special provision of U.S. \$500,000 is made under the new loan for the management of the limping corporation. It will pay for the running of the GEC for up to 18 months by a contracted private firm in the event that the privatisation talks are protracted. The supplementary loan is repayable over 40 years and there is a 10-year grace period. Interest at the rate of one percent applies in the first decade and two percent thereafter.

